



Dayton City School District Comprehensive Annual Financial Report

for the Fiscal Year Ended June 30, 2012



COMPREHENSIVE
ANNUAL FINANCIAL REPORT
of the
DAYTON CITY SCHOOL DISTRICT
for the
FISCAL YEAR ENDED JUNE 30, 2012

Prepared by

TREASURER'S OFFICE

Stanley E. Lucas
Treasurer and Chief Financial Officer



115 South Ludlow Street
Dayton, Ohio 45402

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PUBLIC SCHOOLS

DAYTON BOARD OF EDUCATION
JUNE 30, 2012



Ronald C. Lee
President



Joe Lacey
Vice President



Yvonne V. Isaacs
Board Member



Nancy Nerny
Board Member



Sheila Taylor
Board Member



Stacy M. Thompson
Board Member



Robert C. Walker
Board Member



Lori L. Ward
Superintendent



Stanley E. Lucas
Treasurer

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INTRODUCTORY SECTION

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**DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2012**

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Lori L. Ward
Superintendent
Hiwot Abraha
Interim Treasurer

January 31, 2013

Board of Education
Dayton City School District
115 S. Ludlow Street
Dayton, Ohio 45402

Dear Citizens of the Dayton City School District and Members of the Board of Education:

The Comprehensive Annual Financial Report of the Dayton City School District (the “District”) for the fiscal year ended June 30, 2012, is hereby submitted. This report was prepared by the Treasurer's Office and is completed to fulfill the State of Ohio’s requirement that annually the District has an audit of its financial statements prepared in accordance with Generally Accepted Accounting Principles.

The responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, remains with the management of the School District. To the best of our knowledge and belief, the data presented is accurate in all material respects and is presented in a manner designed to fairly set forth the financial position and results of the School District’s operations as measured by the financial activity of its various funds. A comprehensive framework of internal control has been established to govern the processing and reporting of the School District’s financial data. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Clark Schaefer Hackett & Co. has issued an unqualified opinion on the Dayton City School District’s financial statements for the fiscal year ended June 30, 2012. The report of the independent auditors is located in the front of the financial section of this report.

Management is required to provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management’s Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A can be found immediately following the report of the independent auditors.

SCHOOL DISTRICT PROFILE

The School District and Its Facilities

The Dayton City School District provides educational services, as mandated by state and/or federal laws, to children located within its boundaries. Within the boundaries of the District are the City of Dayton, Ohio and Harrison Township. For the 2011-2012 school year, the District was the 6th largest urban school district in the State of Ohio with 14,179 enrolled students.

The Board of Education and the Administration

The Board of Education (the "Board") of the Dayton City School District is a political and corporate body charged with the responsibility of managing and controlling affairs of the School District. The School District is also governed by the general laws of the State of Ohio as set forth in the Ohio Revised Code. The Board is comprised of seven members who are elected for overlapping four-year terms. Yvonne V. Isaacs has served on the Board for ten years and her term expires on December 31, 2013. Joe Lacey has served on the Board for six years and his term will expire December 31, 2013. Stacy Thompson was elected initially in 2007 to a two year term after being appointed to the Board in 2006. She was reelected in 2009 and her term expires December 31, 2013. Ronald Lee was appointed to fill Gail Littlejohn's unexpired term in November, 2007. He was reelected in 2009 and his term will expire on December 31, 2013. Nancy Nerny was elected to the board in January, 2008 and her term will expire in December 2015. Sheila Taylor was elected to the board in 2008 and will serve a four year term which expires in December 2015. Robert C. Walker was elected to the board in 2012 and will serve a four year term which expires in December 2015.

The Superintendent of Schools is the chief executive officer of the School District. The Superintendent has the responsibility for managing and placing teachers and other employees, assigning the pupils to the proper schools and grades, and performing such other duties as determined by the Board. Mrs. Lori Ward was appointed as the Superintendent on July 1, 2010. Mrs. Ward was the Superintendent of record for this reporting period.

The Treasurer is the chief financial officer of the School District and is appointed by and reports directly to the board. Stanley E. Lucas has served as the School District's treasurer since July 1, 2002. He was re-appointed to a five-year term of employment commencing January 1, 2009 and ending July 31, 2014. Mr. Lucas was the Treasurer of record for this reporting period. Mr. Lucas retired on October 31, 2012. Hiwot Abraha was appointed interim Treasurer on November 1, 2012.

Employee Relations and Benefits

The School District currently has 1,523 certificated employees (psychologists, teachers, reserve teachers, and administrators) and 400 classified employees (administrators, secretarial, clerical, custodial, and cafeteria workers, as well as bus drivers and other non-teaching, non-administrative personnel). Therefore, the School District currently has approximately 1,923 full and part-time employees. In the fiscal year ended June 30, 2012, the School District paid out from its general fund \$ 88,364,490 in salaries and \$ 36,092,192 in fringe benefits and other labor related costs. These expenditures are comprised of employer retirement contributions, workers' compensation insurance coverage, unemployment compensation, life insurance, medical and dental insurance premiums.

The Dayton Education Association represents the School District's teachers and educational specialists. The non-professional employees of the School District are represented for collective bargaining purposes by a variety of unions.

The clerical employees are represented by the Ohio Association of Public School Employees (OASPE), Clerical Chapter 158. The paraprofessional employees are represented by OAPSE, Paraprofessional Chapter 643. The transportation employees are represented by the OAPSE, Transportation Chapter 627. Educational interpreters are represented by OAPSE, Chapter 766. Mechanics are represented by OAPSE, Local 156. Lead child care teachers, mental health technicians, occupational therapists, and physical therapists are represented by OAPSE Local 191. Psychologists are represented by OAPSE, Local 766B. Head Start is represented by OAPSE, Local 155. The building trade's employees are represented by the Dayton Building and Construction Trades Council, AFL-CIO. The custodial and food service employees are represented by the Dayton Public Service Union (DPSU), Local #101, Ohio Council #8, AFSCME, AFL-CIO. The security resource officers are represented by DPSU, Local #101, Ohio Council #8, AFSCME, AFL-CIO. Reserve teachers are represented by the Dayton Chapter of Reserve Teachers. The collective bargaining agreements for Local 101, Local 156 and Local 627 will expire during fiscal year 2013

The School District provided life insurance and accidental death and dismemberment insurance to employees through the Hartford Insurance Company. The School District has a self-funded health insurance coverage utilizing United Healthcare Insurance Company (UHC) as a third party administrator. The employee share of the total health care premium ranges from 15 percent to 30 percent of the monthly premium depending upon plan option and single/family contract selected. Dental insurance was provided to eligible employees and administered by Delta Insurance or a premium based policy issued by Assurant.

All School District employees participate in either the State Teachers Retirement System or the School Employees Retirement System. The current employer obligation for contributions is 14 percent of the employee's salary. Both retirement systems were created by and operate under Ohio law. The General Assembly could amend the format of either system and could revise rates or methods of contribution to be made by the School District in the future. The State Teachers Retirement System is applicable to all teachers, principals, supervisors and administrators who are required to hold a certificate issued by the State Department of Education. Other eligible employees are covered by the School Employees Retirement System. Pursuant to federal law, all School District employees hired after March 31, 1986, are required to participate in the federal Medicare program, which currently requires

employer and employee contributions each equal to 1.45 percent of the employee's wages in accordance to the FICA limit. Otherwise, School District employees are not presently covered by the federal Social Security Act. The School District's required contributions for pension obligations to the two retirement systems on behalf of its employees amounted to \$13,976,452 (excluding health care benefits) for the 2012 fiscal year.

ECONOMIC CONDITION AND OUTLOOK

Local Property Taxes

Property taxes are a major source of revenue for the School District. For property taxation purposes, assessment of real property is performed on a calendar year basis by the elected County Auditor subject to supervision by the State Tax Commissioner. Assessment of public utility property and tangible personal property is performed by the State Tax Commissioner. Property taxes are billed by the County Auditor and collected by the County Treasurer.

Taxes collected from real property (other than public utilities) in one calendar year are levied in the prior calendar year on assessed values as of January 1 of that prior year. Taxes collected from tangible personal property (other than public utilities) in one calendar year are levied in the same calendar year on assessed values during and at the close of the most recent fiscal year of the taxpayer that ended on or before December 31 of that calendar year, and at the tax rates determined in the preceding year. Public utility real and tangible personal property taxes collected in one calendar year are levied in the prior calendar year on assessed values determined as of December 31 of that second year proceeding the tax collection year.

The assessed valuation of real property is fixed at 35 percent of true value and is determined pursuant to rules of the State Tax Commissioner, except real property devoted exclusively to agricultural use which is assessed at not more than 35 percent of its current agricultural use value. Real property devoted exclusively to forestry or timber growing is taxed at 50 percent of the local tax rate upon its true value.

The General Assembly has periodically exercised its power to revise the laws applicable to the determination of assessed valuation of taxable property and the amount of receipts to be produced by taxes levied on that property, and may continue to make similar revisions.

Ohio law has a mechanism that is intended to negate increases in taxes resulting from increases in the true value of real property due solely to inflation. The law grants tax reduction factors to offset increases in taxes resulting from increases in the true value of real property. Legislation implementing a 1980 constitutional amendment classifies real property between (i) residential and agricultural and (ii) all other real property, and provides for tax reduction factors to be separately computed for and applied to each class. These reduction factors apply to certain voted levies on real property and do not apply to un-voted tax levies or voted tax levies to pay debt service on general obligation debt.

School Foundation

The State's School Foundation Program is another major source of revenue for the School District's general fund. The State assists public school districts under a statutory program, which includes direct payments to districts based upon a statutory formula. Such payments

are made through the School Foundation Program established by the Ohio Revised Code (the "Code"). School Foundation Program funds distributed to a school district are required to be used for current operating expenses, unless specifically allocated by the State for some other purposes.

Basic eligibility for School Foundation Program payments is based on a school district's compliance with State-mandated minimum standards. The School District is in compliance with those standards and believes it will remain in good standing for the foreseeable future.

On December 3, 2003, the Ohio Supreme Court issued its latest opinion regarding the State of Ohio's funding plan. It had been argued that the dependence on property taxes puts school districts with low property values at a disadvantage, because tax rates must be higher than in districts with higher property values to raise a similar amount of money. The Supreme Court ruled once again that the State's school funding plan is unconstitutional, but ended its control without prescribing a solution or ordering state officials back to the court. The Court did direct the Ohio General Assembly to enact a school-funding plan that is thorough and efficient.

This was the fourth time the Ohio Supreme Court majority has found the school funding unconstitutional. The Court did not indicate any enforcement measures to ensure that the state administration overhauls the current system. Therefore, as of the date of these financial statements, the School District is unable to determine the future impact of this decision on State funding and on its financial operations.

Local Economy

The historic first flight of Dayton residents Orville and Wilbur Wright, the development of the cash register into the current NCR Corporation, the invention of the electric automobile starter, and other advances in automotive design provide the historic basis for the Dayton area economy.

Economic Development

In 2012, on *Forbes* magazine's Best Places for Business and Careers in the United States, the city of Dayton ranked 180. *Forbes'* ranking of the 200 largest metropolitan areas, takes into account employee income, job growth, and costs of doing business, including process of labor, energy, taxes and office space. The magazine also factors in regional crime rates, qualifications of the available labor pool and housing costs.

Automotive Manufacturing

Dayton's long history of automotive manufacturing and its location at the intersection of interstates 70 and 75 made this region a very attractive location for the automotive industry.

While the auto manufacturing industry in the Dayton area is nowhere near what it used to be following the departure of General Motors and Delphi Automotive, the area remains home to several large auto parts production plants. They include a Tenneco suspension parts plant in Kettering and a Behr Thermal Products plant in Dayton. Dozens of smaller shops also continue to supply automakers with pieces and parts.

Manufacturing

The real future of Dayton manufacturing will not be in the disproportionately large number of large scale manufacturers like GM and Delphi, but rather in smaller scale precision and advanced manufacturers who are succeeding not only because of a declining dollar, but through producing a higher quality product than off-shore competition

The Dayton region's manufacturing industry is one of the largest, most highly developed centers in the United States. The unique and compelling nature of the industry is a result of cutting-edge technology, sophisticated processes and a highly skilled workforce.

Tooling & Machining

The Dayton region is one of North America's largest centers for tooling and machining technology. More than 800 companies employing 26,000 people provide service to a diverse client base – from automotive to aerospace, from the computer industry to the growing medical industry.

The Dayton region is home to a vital and active Tooling and Machining Association. The Dayton Tooling and Machining Association is one of the oldest of its type in the United States and works actively to improve the competitiveness of its membership.

Local universities, colleges and trade schools work closely with the tooling and machining industry, developing world-class training programs in first-class facilities, utilizing a framework of national skill standards (NIMS). Sinclair Community College's Step II program has been widely recognized as an exceptional source for new talent in the field: Aerospace Industry and Wright-Patterson Air Force Base

Wright Patterson Air Force Base (WPAFB) has a historically significant tie to this community and to aviation as a whole.

Currently, this facility is the largest single site employer within the State of Ohio and has over 27,000 military and civilian employees. This translates into an economic impact over \$5 billion. The Base is headquarters for the Aeronautical Systems Center (ASC) – the foremost aeronautical acquisition center in the U.S. Air Force.

The 2005 Defense Base Realignment and Closure ("BRAC") Commission recommendations brought over 1,000 jobs to the Dayton region in 2011. Many of those are highly specialized scientific, engineering, medical and teaching positions. Additionally, the BRAC recommendations named the Dayton Region as the "Aerospace Hub" for the Air Force which significantly expands Wright-Patterson Air Force Base's importance in aerospace medical research. This not only strengthens Wright-Patterson's research capabilities, but it offers new opportunities to partner with area businesses, hospitals, universities and other research facilities.

Research and Development

Development Dayton is home to one of the nation's largest clusters of research centers and business incubators. The region has identified several **key industry clusters** targeted for growth, including; Advanced Materials & Manufacturing, Aerospace Research and Development, Data Management & Sensors Technologies and Health Care & human factors research.

In fact, Dayton was named the Ohio Aerospace Hub in 2009. Dayton's regional research and development assets will help drive the next generation of business, and will also be beneficial for companies looking to develop and **commercialize** new technology.

Miami Valley Research Park, supported by the Miami Valley Research Foundation, a private, nonprofit corporation is a vital resource for the metropolitan region. The 1,500 acre park is a university related facility that is the site of corporate and government research firms. The Research Park's goal is to promote research, technology, and science, while helping to create and preserve employment opportunities.

Technology Transfer

A number of organizations work to provide an environment for technology transfer, taking institutional ideas and products to the market. These include the Wright Technology Network (WTN) that facilitates technology transfer from Wright-Patterson Air Force Base to partners in the private sector. The National Center for Industrial Competitiveness (NCIC) works to improve regional industrial competitiveness by leveraging federal and state funds to encourage long-term economic growth. The Edison Materials Technology Center (EMTEC), a consortium of business, industrial, academic, government and civic members links Ohio's top materials research institutions with the industrial sector to transfer technological advances in materials processing into commercial products and processes.

Information Technology/Health Care

Premier Health Partners and Kettering Medical Network employ over 19,000 and are nationally recognized for their quality of care. Area health care organizations have been steadily expanding both their physical facilities and services offered. Technological advances have been readily incorporated into Dayton area hospitals, making this economic sector one of the most promising for the region.

Distribution and Warehousing

The Dayton International Airport is an ideal location for cargo and freight operations due to its proximity to the Crossroads of America, I-70 and I-75 intersection. Passenger traffic at the airport with 10 airlines providing non-stop service to 21 major U.S. cities continued this past year to increase by 2.8%. Air cargo dropped off significantly due to the absence of Emery Worldwide; however The Dayton International Airport has become a significant regional air freight hub hosting: Aviation Facilities Company Inc., Fed Ex Trade Networks, UPS Supply Chain and Excel Global.

Higher Education Opportunities

With over 35 institutions of higher learning located within the Dayton region, the area is rich with educational resources and now could easily claim that education be considered a new export industry for the Dayton area. This fact plays a significant role in the Dayton region's ranking of 5th in the country in science and engineering degrees granted annually. Post-secondary enrollment was significantly up in 2010 and again in 2011. That rising demand for education is forecasted to continue throughout 2012, but that trend could be negatively impacted if students' access to financing becomes more difficult due to the credit crunch or if the job market remains unusually tight over an extended period of time.

Due to the availability of educational facilities with a wide variety of educational and interdisciplinary research programs, Dayton has a ready resource of highly qualified professional employees to support area businesses.

Dayton Area Economy

According to the Chamber of Commerce, the City of Dayton is very aggressive in making the investments necessary to plant the seeds for future growth. From 2009 to 2011, the city has realized a combined \$800+ million worth of investments and expects to see another \$400+ million worth of infrastructure improvements over the next few years. Additionally, the city is moving forward with the recently created Downtown Dayton Plan, continues on with the Tech Town redevelopment, has started on an effort to strengthen ties to WPAFB, implemented significant neighborhood redevelopment efforts, and has announced some significant development projects including the new UDRI headquarters, the new GE Electric Power Integrated Systems Research Center (EPISCENTER), and the significant investments at Grant Hospital and Miami Valley Hospitals.

MAJOR INITIATIVES

During our successful 2008 levy campaign, the Dayton Board of Education made a Contract with the Community to demonstrate that we are committed to becoming a more effective, efficient, and transparent educational enterprise. At that time, we sought candid input from parents; community members; business, labor, civic and neighborhood leaders; the faith community; DPS employees; and many others.

In 2011, the Board of Education created a 62-member internal and external stakeholder group to review the 2008 strategic plan. The collaboration of this team updated the Districts mission and vision statements as well as five strategic goals.

The plan was developed to take us from where we are now to where we want to be. Our vision: Dayton Public Schools will be a model education system where all students are academically successful, culturally engaged and ready for postsecondary opportunities and careers upon graduation. Teachers, parents and community partners will be active participants in our schools, and contribute to student growth. Its five strategic goals outline our areas of focus moving forward:

- High Quality Education
- Safe Environment

- Excellent Customer Service
- Fiscal Responsibility
- Community Support

Dayton’s future depends on the sustained progress of its public school system. When we have a road map, we not only know how to achieve our goals, but also hold ourselves accountable to the benchmarks by which we measure our progress.

“The mission statement of the Dayton Public Schools provides a high-quality education in a safe environment that prepares our students for success in school, work and life by providing a highly effective trained staff working each day with community resources.”

STRATEGIC PLAN

Values and Beliefs

- Excellence – We will pursue the highest standards in educational and operational performance.
- Fairness – We will ensure all children equitable access to the resources necessary for academic success.
- Acceptance – We will value the strengths of a diverse community and respect the differences of individuals.
- Integrity – We will build productive relationships through honest, open communication that fosters trust.
- Individuality – We will respect and encourage the unique talents and abilities of each individual.
- Innovation – We will seek out and implement new and different ways of improving our performance.

GOALS:

Goal 1: High-Quality Education – Create an environment conducive to learning that prepares all students for college and/ or careers. Our schools possess the technology that our teachers, staff and students need to develop the skills necessary to be successful. Students are educated in a safe and secure environment.

Goal 2: High-Quality Faculty and Staff — we will be the employer of choice for the best teachers and the best staff. Our teachers will be prepared, innovative and supported. We provide development opportunities for our faculty and staff to continuously improve. Our customer service, both internally and externally, will be exceptional. We will be welcoming and responsive to students, parents, community members and each other.

Goal 3: Engaged Parents - Our greatest allies in our students’ education and development are the parents. We must know and understand our DPS parents to better support students. And they must know and understand Dayton Public Schools to better support their children.

Goal 4: Community Collaborations and Partnerships – Earn the trust and support of the entire community we serve. We must constantly demonstrate how we value our community partners and collaborators.

Goal 5: Fiscal Responsibility and Accountability – Fiscal responsibility extends beyond money to include buildings, vehicles, equipment and technology. Not only do we accept responsibility for being effective and efficient in how we use resources, we also are accountable to the community. Teachers and staff are trained to understand school funding and key metrics of performance. We have a well-developed communications network that keeps everyone throughout our organization informed. In addition, our parents and our community partners can take pride in our stewardship of public and private dollars through an ongoing process of communications and feedback.

ACADEMIC PLAN

The School District's board and superintendent have established four academic non-negotiables that define the School District's commitment to the students and community by setting practical, attainable performance goals for students at pivotal developmental points. The Non-Negotiables assert that students will:

- Enter Kindergarten prepared to learn and grow
- Read on grade level by third grade
- Close the achievement gap for all populations and perform on standard
- Graduate college and career ready

The Dayton Public School system has more than 14,000 students to educate, guide and develop, from pre-Kindergarten through graduation. Everyone, from parents to principals, teachers to technicians, bus drivers to board members, can and should see themselves in this plan *through the students*. Ultimately, the Academic Plan is about our students and their future, which means we have more than 14,000 reasons why we must succeed.

Context

The Academic Plan is a dynamic document, designed to provide a strategic framework for academic achievement. It creates the opportunity for everyone involved in or touched by the Dayton Public Schools to commit to a shared academic vision for the future:

The Dayton Public School District is a model for urban public education, where every student enters kindergarten ready to learn and graduates ready for college, a career and life in the 21st century.

The plan's purpose is to build on School District strengths and focus on the most critical improvement challenges. It's firmly anchored to and flows out of the Strategic Plan adopted in 2011. It translates into action the first strategic goal, to provide high-quality education that leads to college and careers.

By 2013-2014, all districts must adopt and implement the state's Common Core curriculum, which defines statewide standards for public education and academic performance. Our plan incorporates those standards, so we can begin this crucial work now.

The School District faces many challenges. However, it's important to acknowledge the many strengths and achievements that also exist, because our journey to excellence begins from where we are today.

Strengths & Achievements

Students

- Gates Millennium Scholars Program – Has tapped 20 students since 2000
- Special Programs – Include boys' and girls' schools, International Baccalaureate, Seniors-to-Sophomores advanced college credit, Montessori and Career-Tech programs
- Leadership – Includes the Superintendent's Student Senate, academic and extracurricular clubs, JROTC, and mentored leadership experiences
- Basic Standards – Improved in 10 of 14 reading and math areas
- Higher Levels – Rated more students as proficient, advanced and accelerated
- Attendance – Improved to 92%, the highest level since 1996
- Higher Education – Admitted by leading colleges and universities throughout the country

Educators & Administrators

- Advanced Degrees – 793
- National Board Certification – Earned by more than 22 educators

Classrooms & Laboratories

- Educational Technologies Support improved instruction
Learning Technologies – Provide hands-on experience with relevant technologies

Schools

- National Acclaim – Recognized Stivers High School as one of America's Best Public Schools (U.S. News & World Report, 2009 and 2010)
- New Facilities – Complete the last of 26 new school buildings
- Neighborhood Schools – Encourage parent and community involvement
- Program Identities – As part of a developing initiative, several high schools have distinct program identities

District

- Technology Plan – Directs acquisition and implementation
- Accountability Systems – Combine data collection, reporting and assessment to provide meaningful performance information to students, teachers, principals and the School District

Stakeholders

- Accountability Panel – Involves parents, educators, employers, etc., in School District academic determinations and directions
- Learn to Earn – Focuses on improved learning and career opportunities for all students
- College Partnerships – Reflect strong relationships built with all regional institutions
- Employer Involvement – Engages employers in academic and career programs, from financial literacy to Bots, aeronautics programs, etc.
- Coalitions – Involve community groups in targeted student development, such as academic and career mentoring

The combination of goals and indicators provides a roadmap of Non-Negotiables and academic milestones for students on the path to productive adulthood. Similarly, they provide valuable measures that indicate our progress in closing the achievement gap for all student populations throughout the School District.

Information Technology Outsourcing and Systems Integration Agreement

In 2005 the School District issued a RFP for managed IT Services and awarded a contract to Cincinnati Bell Technology Solutions, formerly Broadwing IT Services. This contract was for a base term of 3 years and two two-year option years.

The scope of work to be delivered to the School District will be presented in five broad categories including systems management, integration consulting, systems integration options, operations, telecommunications, additional service and technology solutions. The scope of administrative systems support includes core financial applications, human resources, student information systems and network systems. The administrative system consists of a core set of integrated financial application modules including general ledger, budgeting, purchasing, accounts payable, accounts receivable, warehouse management and fixed assets. The administrative system also consists of a set of highly integrated personnel and payroll related application modules such as applicant tracking, personnel records, time and leave accounting, payroll, substitute (reserve) teacher management and position control. Functional components of the student information system include student demographics, enrollment and registration, scheduling, grade reporting, achievement history and transcripts, daily and period attendance, discipline and central database. The local area network (LAN) infrastructure provides connectivity within administrative offices of each facility on an AS/400 host connected to the wide area network (WAN).

The Education Foundation Fund

Ohio Revised Code Section 3315.40 grants to boards of education the authority to establish an education foundation fund. It was the recommendation of the Dayton Board of Education at their December 2, 1992, meeting to establish "The Dayton Public School Fund" to provide significant, long-term financial resources to accelerate and sustain continuous improvement toward fulfilling the School District's mission and vision of excellence. It was also recommended that the Dayton Board of Education, pursuant to Ohio Revised Code Section 3315.41, appoint the Dayton Foundation as fiscal agent.

RELEVANT FINANCIAL INFORMATION

Financial Management System

The Comprehensive Information Management for Schools III, known by the acronym CIMS III, includes the following applications: Financial Management System (FMS); Employee Management System (EMS); Fixed Asset Inventory System (FAS); and Human Resource Management System (HMS). The FMS and FAS applications were implemented in July 1997 and May 1998, respectively. Due to the specific requirements of the warehouse operation, Gateway warehouse software was chosen and is interfaced with the Financial Management System.

The Financial Management System is a modified double-entry accrual accounting system designed for governmental accounting organizations. The FMS application consists of six integrated modules that share information. These modules include: (1) general ledger, (2) purchasing, (3) receiving, (4) accounts payable, (5) cash disbursements, and (6) cash receipts. This system improved our ability to meet Uniform School Accounting System account code format without the use of conversion tables. It also allows for electronic entry of purchase orders from all buildings district-wide. The addition of the cash receipts module has enhanced our internal controls by providing an electronic cash receipts journal that is integrated with the general ledger.

Fiscal Management

The Treasurer, as chief financial officer of the Dayton Board of Education and the School District, is responsible for receiving, maintaining custody, disbursing and properly reporting all funds of the Board.

Budgetary Controls

The objective of budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriation resolution. The level of budgetary control (the level at which expenditures cannot legally exceed the appropriated amount) is established at the fund level. However, individual cost centers are budgeted at the beginning of the fiscal year and are monitored during the year to ensure budgetary compliance. The School District maintains an encumbrance accounting system as one technique of accomplishing budgetary control at the account level. Unencumbered appropriation balances are reviewed prior to the release of purchase orders to ensure funds are available to meet the obligation created by the purchase order. Encumbered amounts at year-end are carried forward to succeeding years and are not re-appropriated.

Cash Management/Investment Policy

The School District has revised its investment policy to update the School District's investment options to correspond to changes in state law, including a provision for investment of inactive funds. Fifth Third Bank is serving as master custodian for some deposits. The School District has also entered into Investment Management Agreements with the following six major financial institutions: JPMorgan (Bank One), National City Bank, Victory Capital Management, Fifth Third Bank, Merrill Lynch, and Salomon Smith Barney Investment.

The School District invests in various government securities, certificates of deposit, mutual funds and Star Ohio (State Treasury Investment Pool). The School District interprets the limits on Federal guaranteed investments, banker's acceptances, commercial paper and all other legal investments very conservatively. No money of the School District has ever been invested in interest-only obligations, reverse-purchase obligations, inverse floater obligations, or other investment vehicles commonly referred to as derivative investments. No moneys of the School District are invested in obligations which mature later than the time at which it reasonably expected that the School District will need access to the money in order to meet current financial commitments. The Treasurer/CFO has attended special training in all of the investment areas to assure compliance with the conservative investment

philosophy of the School District. All investments are transacted with banks or other financial institutions operating in the state. The amount of investment income recorded for the School District in fiscal year 2012 was (\$21,491,596) which includes a \$22.5 million change in fair market value during fiscal year 2012. A more detailed description of the School District's investment functions is described in Note 6 to the basic financial statements financial statements.

AWARDS AND ACNOWLEDGEMENTS

Awards

GFOA Certificate of Achievement

The Governmental Finance Officers Association of the United States and Canada is a nonprofit association founded in 1906 that serves approximately 12,000 governmental finance professionals. For the nineteenth consecutive year, Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the School District for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2011. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. This honor is the highest form of recognition in the area of governmental accounting and financial reporting, and its attainment represents a significant accomplishment by a government and its management.

To be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, the contents of which conform to program standards. Such a CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid only for a period of one year. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

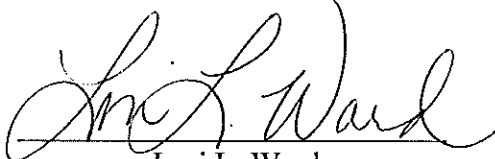
ASBO Certificate of Excellence

The Association of School Business Officials International, a professional organization founded in 1910, also presented the School District with a Certificate of Excellence in Financial Reporting Award for the preparation and issuance of the fiscal year 2011 school system comprehensive annual financial report. This award is granted only after an intensive review of the financial report by an expert ASBO Panel of Review consisting of certified public accountants and practicing school business officials. Receiving this award is recognition that a school system has met the highest standards of excellence in school finance reporting.

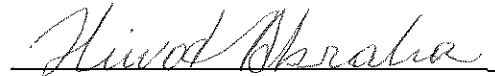
A certificate of excellence is valid for one year only. We believe our current report continues to conform to the standards set by the ASBO Panel of Review, and we are submitting it to ASBO to determine its eligibility for another award.

Acknowledgments

The preparation of this report could not have been accomplished without the efficient and dedicated services of the staff of the Treasurer's Office. We want to express our appreciation to all that assisted and contributed to its preparation. A special note of appreciation is extended to the staff of Local Government Services (LGS), State of Ohio, for their consultant services. We would like to acknowledge all members of the Board who have expressed their interest and support in planning and conducting the financial operations of the School District in a fiscally responsible, professional and progressive manner.



Lori L. Ward
Superintendent



Hiwot Abraha
Interim Treasurer/Chief Financial Officer

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Dayton City School District
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2011

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Christopher P. Morrill

President

Jeffrey R. Emer

Executive Director

Association of School Business Officials International



*The Certificate of Excellence in Financial Reporting Award
is presented to*

Dayton School District

*For Its Comprehensive Annual Financial Report (CAFR)
For the Fiscal Year Ended June 30, 2011*

The CAFR has been reviewed and met or exceeded
ASBO International's Certificate of Excellence standards



A handwritten signature in black ink, reading "Brian L. Mee".

Brian L. Mee, SFO, RSBA
President

A handwritten signature in black ink, reading "John D. Musso".

John D. Musso, CAE, RSBA
Executive Director

**DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

**BOARD MEMBERS-ELECTED OFFICIALS
JUNE 30, 2012**

<u>Name</u>	<u>Began Service as a Board Member</u>	<u>Term Expires December 31</u>
Ronald C. Lee, President	2007	2013
Joseph Lacey, Vice President	2006	2013
Yvonne V. Isaacs	2002	2013
Nancy Nerny	2008	2015
Sheila Taylor	2008	2015
Stacy M. Thompson	2006	2013
Robert C. Walker	2012	2015

**DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

**CABINET MEMBERS
JUNE 30, 2012**

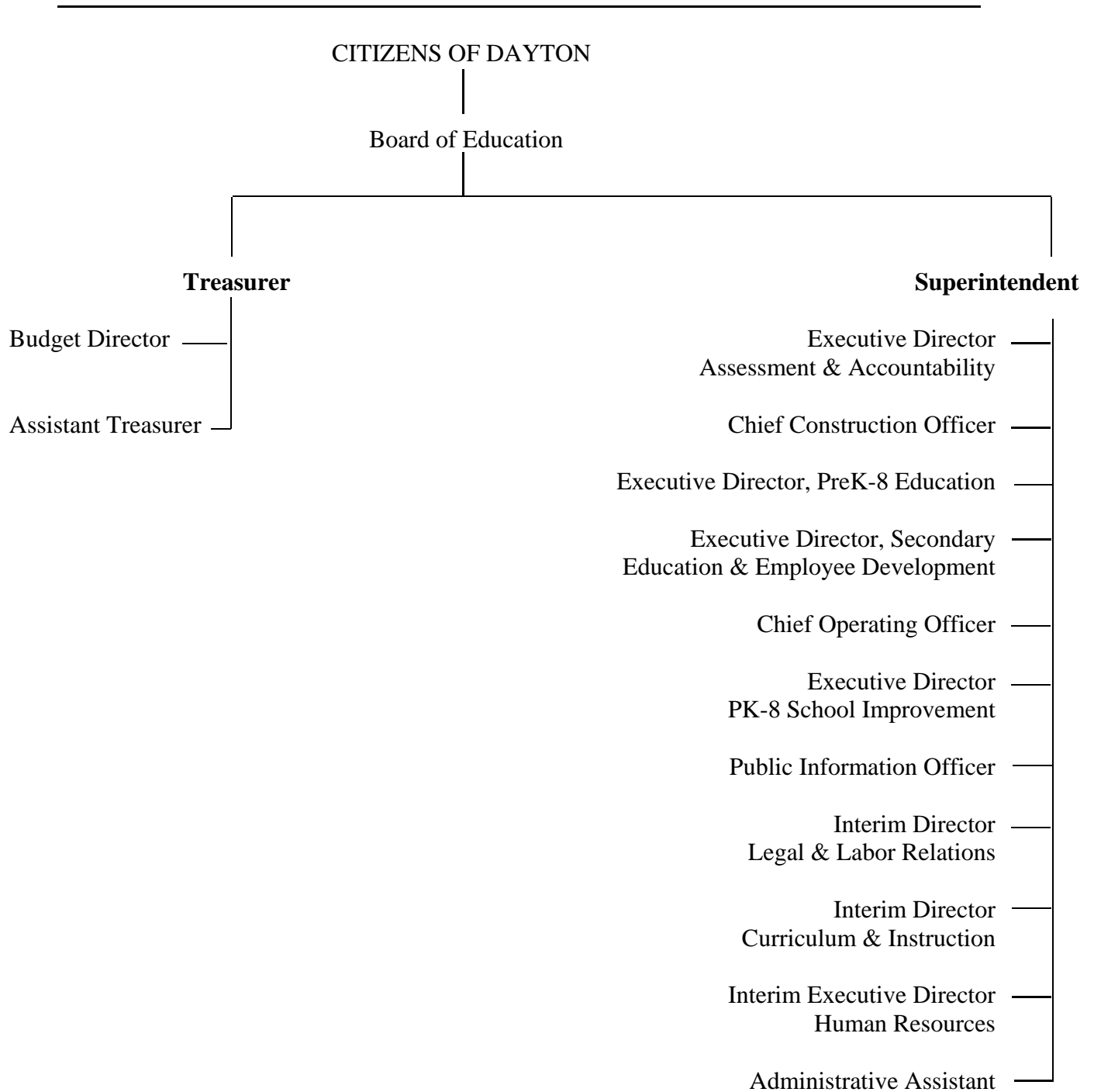
Lori L. Ward	Superintendent
Stanley E. Lucas	Treasurer
John H. Carr, AIA	Chief Construction Officer
Linnae Clinton	Interim, Chief Academic Officer
Delores Evans	Executive Director, PK-8 Education
Marlea Gaskins, Ed.D.	Executive Director, Secondary Education
James Harris	Chief Operating Officer
Jane McGee-Rafal	Chief Academic Officer
Jill Moberley	Public Information Officer
Jennifer Naylor	Interim Executive Director, Legal and Labor Relations
M. Edward Sweetnich	Executive Director, Human Resources
Colleen S. Wells	Administrative Assistant to the Superintendent

DAYTON CITY SCHOOL DISTRICT

MONTGOMERY COUNTY, OHIO

ORGANIZATIONAL CHART

June 30, 2012



FINANCIAL SECTION

DAYTON  N

PUBLIC SCHOOLS

INDEPENDENT AUDITORS' REPORT

Board of Education
Dayton City School District
115 South Ludlow Street
Dayton, Ohio 45402

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Dayton City School District (the District) as of and for the year ended June 30, 2012, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2012, and the respective changes in financial position and cash flows, where applicable, and the budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 31, 2013, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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f. 937.399.5433

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 11 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of the financial reporting for placing the basic financial statements in the appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's response to our inquires, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual nonmajor fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Our audit was conducted for the purposes of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory and statistical sections are presented for the purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Clark, Schaefer, Hackett & Co.

Springfield, Ohio
January 31, 2013

DAYTON CITY SCHOOL DISTRICT

Montgomery County, Ohio

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2012
Unaudited

The discussion and analysis of the Dayton City School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2012. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the transmittal letter, notes to the basic financial statements and financial statements to enhance their understanding of the School District's financial performance.

Financial Highlights

Key financial highlights for fiscal year 2012 are as follows:

Overall:

- Total net assets decreased \$42.3 million, which represents a 10.7 percent decrease from fiscal year 2011.
- Total assets of governmental activities decreased by \$27.1 million from those reported at June 30, 2011. The primary factor of the decrease is a reduction in the property tax receivables.
- General revenues accounted for \$187.9 million or 75.8 percent of total revenue. Program specific revenues in the form of charges for services and sales and operating grants and contributions account for \$60.1 million or 24.2 percent of total revenues of \$248 million.
- The General Fund reported unassigned fund balance of \$16.7 million at June 30, 2012, compared to \$8.7 million reported one fiscal year prior.
- During fiscal year 2012, work continued on the \$628 million school facilities project which will eventually replace or renovate all instructional facilities within the School District. As of June 30, 2012, 26 schools have been opened. This includes four schools in the current fiscal year. The total cost capitalized for the school facilities during fiscal year 2012 was \$69.0 million for buildings and \$2.9 million for equipment. Most of the additions to both buildings and equipments is mainly due to the completion of construction in progress which is shown as a deletion of \$71.3 million. In addition, another \$23.9 million was recognized as construction in progress in the current fiscal year.

Using this Comprehensive Annual Financial Report (CAFR)

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Dayton City School District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

DAYTON CITY SCHOOL DISTRICT
Montgomery County, Ohio

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2012
Unaudited

The statement of net assets and the statement of activities provide information about the activities of the whole School District, presenting both an aggregated view of the School District's finances and a longer-term view of those statements. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the School District's most significant funds, major funds, with all other nonmajor funds presented in total in one column. In the case of Dayton City School District, the General, Bond Retirement, Building, and Classroom Facilities Funds are reported as major funds.

Reporting the School District as a Whole

Statement of Net Assets and the Statement of Activities

While this document contains a large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during fiscal year 2012?" The statement of net assets and the statement of activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current fiscal year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School District's net assets and changes in those assets. This change in net assets is important because it tells the reader that, for the School District as a whole, the financial position of the School District has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the School District's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, required educational programs and other factors.

In the statement of net assets and the statement of activities, the School District reports governmental activities. Governmental activities are the activities where most of the School District's programs and services occur, including, but not limited to, instruction, support services, operation and maintenance of plant, pupil transportation and extracurricular activities. The School District does not have any business-type activities. The internal service fund is reported within the governmental activities of the School District.

Reporting the School District's Most Significant Funds

Fund Financial Statements

Fund financial reports are presented after the statement of activities and provide detailed information about each major fund. The major funds of the School District include the General Fund, Bond Retirement Debt Service Fund, Building and Classroom Facilities Capital Projects Funds. The School District uses many funds to account for a multitude of financial transactions. However, the fund financial statements focus on the School District's most significant funds, and therefore only the major funds are presented separate from the other governmental funds.

DAYTON CITY SCHOOL DISTRICT
Montgomery County, Ohio

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2012
Unaudited

Governmental Funds

The School District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at fiscal year-end available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the statement of net assets and the statement of activities) and governmental funds is reconciled in the fund financial statements.

Proprietary Funds

Proprietary funds use the same basis of accounting as business-type activities; therefore, these statements will essentially match. Internal service funds are used to report activities that provide services to the School District's other funds and departments.

Fiduciary Funds

The School District's only fiduciary funds are private purpose trust funds and agency funds. The School District's fiduciary activities are reported in separate statements of fiduciary net assets and changes in fiduciary net assets. We exclude these activities from the School District's other financial statements because the School District cannot use these assets to finance its operations. The School District is responsible for ensuring that the assets reported in these funds are used for their intended purposes. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Fiduciary funds use the accrual basis of accounting.

The School District as a Whole

Recall that the statement of net assets provides the perspective of the School District as a whole. In the case of the Dayton City School District, assets exceeded liabilities by approximately \$351.7 million at June 30, 2012.

DAYTON CITY SCHOOL DISTRICT

Montgomery County, Ohio

Management's Discussion and Analysis
 For the Fiscal Year Ended June 30, 2012
 Unaudited

Table 1 provides a summary of the School District's net assets for 2012 compared to restated 2011:

TABLE 1
 Net Assets (in 000's)

	<u>2012</u>	<u>2011</u>	<u>Change</u>
<i>Assets:</i>			
Current and other Assets	\$ 220,222	\$ 262,378	\$ (42,156)
Capital Assets	<u>500,281</u>	<u>485,198</u>	<u>15,083</u>
Total Assets	<u>720,503</u>	<u>747,576</u>	<u>(27,073)</u>
<i>Liabilities:</i>			
Current and Other Liabilities	87,418	87,222	196
Long-Term Liabilities	<u>281,357</u>	<u>266,301</u>	<u>15,056</u>
Total Liabilities	<u>368,775</u>	<u>353,523</u>	<u>15,252</u>
<i>Net Assets:</i>			
Invested in Capital Assets, Net of Debt	238,805	239,262	(457)
Restricted	66,107	106,883	(40,776)
Unrestricted	<u>46,816</u>	<u>47,908</u>	<u>(1,092)</u>
Total Net Assets	<u>\$ 351,728</u>	<u>\$ 394,053</u>	<u>\$ (42,325)</u>

Total net assets reported at June 30, 2012 are \$42.3 million less than the net assets reported one fiscal year prior. The primary reason for the decrease in the School District's net assets were expenses exceeding revenues. Decreases in available cash, intergovernmental and property taxes receivable also contributed to the decrease.

Total liabilities increased \$15.3 million compared with those reported the prior fiscal year. Long-term, obligations increased by \$15.1 million during fiscal year 2012 exclusively due to the increase in the market value of the swaption agreement.

Total assets of the School District at June 30, 2012 totaled \$720.5 million compared with \$747.6 million reported for the prior fiscal year. Significant changes in asset accounts were primarily due to an increase in capital assets by \$15.1 million, virtually all of which is associated with the school facilities construction project, with a decrease in cash to finance the new construction.

In addition, a decrease in intergovernmental receivables was the result of the ARRA grants being expended in the current year and no other ARRA grant funding anticipated.

DAYTON CITY SCHOOL DISTRICT

Montgomery County, Ohio

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2012
Unaudited

Table 2 shows the key components in the changes in net assets for the last two fiscal years.

TABLE 2
Changes in Net Assets (in 000's)

	2012	2011	Change
Revenues			
Program Revenues:			
Charges for Services and Sales	\$ 4,722	\$ 6,049	\$ (1,327)
Operating Grants and Contributions	55,397	29,137	26,260
General Revenues:			
Property Taxes	60,177	90,564	(30,387)
Grants and Entitlements	142,565	160,822	(18,257)
Investment Earnings	(21,492)	5,802	(27,294)
Gain on Sale of Capital Assets	130	-	130
Other	6,485	5,200	1,285
Total Revenues	<u>247,984</u>	<u>297,574</u>	<u>(49,590)</u>
Program Expenses			
Instruction	94,121	95,367	(1,246)
Support Services:			
Pupils and Instructional Staff	30,022	29,192	830
Board of Education, Administration, Fiscal and Business	26,341	21,096	5,245
Operation and Maintenance of Plant	21,074	20,596	478
Pupil Transportation	17,184	17,955	(771)
Central	10,264	7,798	2,466
Non-Instructional Services	69,881	72,608	(2,727)
Extracurricular Activities	1,773	1,886	(113)
Interest and Fiscal Charges	9,954	10,796	(842)
Unallocated Depreciation	9,695	5,819	3,876
Total Expenses	<u>290,309</u>	<u>283,113</u>	<u>7,196</u>
Change in Net Assets	(42,325)	14,461	(56,786)
Net Assets at Beginning of Year	<u>394,053</u>	<u>379,592</u>	<u>14,461</u>
Net Assets at End of Year	<u>\$ 351,728</u>	<u>\$ 394,053</u>	<u>\$ (42,325)</u>

During fiscal year 2012, total net assets decreased \$42.3 million or 10.7 percent of the net assets balance at June 30, 2011. The \$49.6 million, or 16.7 percent, decrease in total revenues from the prior year was mainly due to a decrease in property taxes and investment earnings. The decrease in investment earnings is due to the recognition of the change in fair market value of the swaption agreements. Property tax revenue decreased due to a decrease in tax collections. Total expenses reported for fiscal year 2012 were \$290.3 million or \$7.2 million more than those reported for the prior fiscal year.

As noted in Table 2, the School District is becoming even more dependent upon general intergovernmental revenues. Approximately 76 percent of the School District's general revenues is received from intergovernmental sources, primarily State foundation revenue.

DAYTON CITY SCHOOL DISTRICT

Montgomery County, Ohio

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2012
Unaudited

The statement of activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the total cost of services and the net cost of services for fiscal year 2012 as compared to those recorded in fiscal year 2011. Net cost of services provided identifies the cost of these services supported by general revenues, including tax revenue and unrestricted State entitlements.

TABLE 3
Total and Net Cost of Program Services
Governmental Activities (in 000's)

	2012		2011	
	Total Cost of Service	Net Cost of Service	Total Cost of Service	Net Cost of Service
Instruction	\$ 94,121	\$ 62,178	\$ 95,367	\$ 83,056
Support Services:				
Pupils and Instructional Staff	30,022	16,598	29,192	19,105
Board of Education, Administration, Fiscal and Business	26,341	24,069	21,096	20,090
Operation and Maintenance of Plant	21,074	20,361	20,596	19,740
Pupil Transportation	17,184	16,655	17,955	17,919
Central	10,264	10,181	7,798	7,688
Non-Instructional Services	69,881	59,303	72,608	62,513
Extracurricular Activities	1,773	1,197	1,886	1,200
Interest and Fiscal Charges	9,954	9,954	10,796	10,796
Unallocated Depreciation	9,695	9,695	5,819	5,819
Total Expenses	<u>\$ 290,309</u>	<u>\$ 230,191</u>	<u>\$ 283,113</u>	<u>\$ 247,926</u>

Table 3 shows a \$7.2 million increase in total cost of service for fiscal year 2012 as compared to the prior fiscal year. This increase is mainly due to an increase in board of education, administration, fiscal and business expenses.

The School District's Funds

The focus of the School District's governmental funds is to provide information on near-term inflows, outflows, and balances of available resources. Such information is useful in assessing the School District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

Total ending fund balance reported for governmental funds at June 30, 2012 was \$77.4 million, a \$24.2 million decrease compared with the prior fiscal year. Approximately \$41.0 million of the ending fund balance is reported in funds associated with the school facilities construction project. Another \$3.7 million is reported in the Bond Retirement Debt Service Fund to be used to pay debt obligations as they become due.

The General Fund is the operating fund of the School District. At June 30, 2012, the ending fund balance of the General Fund was \$17.9 million compared to \$10.0 million in the prior fiscal year. The increase in fund balance was due to the School District receiving an increase in unrestricted State Foundation revenue, and a decrease in expenditures related to the pass through expenditure to charter/voucher, and the continued monitoring of the School District expenses and cost containment efforts.

DAYTON CITY SCHOOL DISTRICT
Montgomery County, Ohio

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2012
Unaudited

The \$2.9 million decrease in the fund balance of the Bond Retirement Debt Service Fund resulted from property tax revenues not being enough to cover debt payments. The \$7.9 million increase in fund balance of the Building Fund was due to the transfer of interest earned on the construction project. This transfer was in accordance with agreements between the School District and the Ohio School Facilities Commission. The \$34.1 million decrease in the Classroom Facilities Fund balance was due to the continued progress with the completion of the construction project.

General Fund Budgeting Highlights

The School District's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund.

During the course of fiscal year 2012, the School District amended its General Fund budget numerous times. As the School District receives unanticipated cash receipts or received less than was anticipated, it was necessary to adjust estimated resources and appropriations. Other revenue and expenditure line items were also reviewed.

There were variances between the amounts of the original and final budget for each revenue source. The \$17.8 million dollar difference between original budget and final budget was mainly due to increases in property taxes and intergovernmental revenues. Actual revenue was less than final budget mainly from less intergovernmental revenue received than budgeted.

There were variances between the amounts of the original and final budget for expenditures as well as final budget and actual expenditures. Original budget expenditures were \$11.5 million less than final budget expenditures, while actual expenditures were \$5.5 million less than final budget expenditures. This was due to fluctuations in non-instructional services expenditures.

Capital Assets

At the end of fiscal year 2012, the School District had \$556.9 million invested in land, construction in progress, buildings and improvements, furniture and equipment, and vehicles in governmental activities and \$56.6 million of accumulated depreciation resulting in net capital assets of \$500.3 million.

In 2003, the State of Ohio has determined that most of the School District's school buildings were in need of remodeling or replacement based on the age and condition of the structures. A statewide revitalization program, which operates under the direction of the Ohio Schools Facilities Commission (established through Senate Bill 272) uses resources from State bond funds and the tobacco settlement funds to match local dollars so that eligible districts can remodel or rebuild their capital assets. Four school buildings completed under this project were opened during fiscal year 2012, bringing the total number of facilities opened to date to 26. Construction in progress, associated with the four facilities opened in fiscal year 2012, totaling \$71.3 million was capitalized and reclassified from construction in progress to buildings and furniture and equipment in 2012. Total allocation of the project during the fiscal year was \$69.0 million to buildings and \$2.3 million to equipment. At June 30, 2012, total construction in progress was \$57.0 million. The overall cost of the construction project is estimated at \$628 million with actual cost through June 30, 2012, at \$500.8 million.

DAYTON CITY SCHOOL DISTRICT
Montgomery County, Ohio

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2012
Unaudited

Table 4 shows fiscal year 2012 balances compared to those of fiscal year 2011:

TABLE 4
Capital Assets at June 30

	2012	2011
Land	\$ 11,688,101	\$ 11,688,101
Buildings and Improvements	451,911,860	382,975,103
Furniture and Equipment	16,807,799	13,928,695
Vehicles	19,389,386	17,049,728
Construction in Progress	57,049,407	104,460,838
Less: Accumulated Depreciation	(56,565,548)	(44,904,632)
Total Capital Assets	\$ 500,281,005	\$ 485,197,833

Overall, net capital assets increased approximately \$15.1 million from fiscal year 2011. The majority of capital purchases were those associated with the school facilities project. The School District also purchased \$2.3 million in new busses. Additional information on the School District's capital assets can be found in Note 9 to the basic financial statements.

Debt Administration

At the end of fiscal year 2012, the School District had \$271.4 million of outstanding long-term debt obligations, of which \$8.0 million is due within one year. Significant elements of the School District's outstanding long-term debt obligations outstanding at June 30, 2012 include:

- \$209.9 million in outstanding general obligation school facilities construction and improvement bonds, equipment acquisition bonds, and related unamortized bond premiums, with \$7.3 million of principal payments and premium amortization made during the fiscal year 2012.
- \$35.8 million in embedded derivatives (swaption agreements) which includes a \$22.5 million dollar change in fair market value during fiscal year 2012.
- \$10.0 million in Qualified Zone Academy Bonds for renovations to Stivers Middle School and the creation of an Arts program in Dayton. These bonds bear no interest and payment of the entire principal is due at the maturity date of December 30, 2016.
- \$1.1 million of long-term tax anticipation notes. The School District made principal payments of \$350,000 during the year.

DAYTON CITY SCHOOL DISTRICT

Montgomery County, Ohio

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2012
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- \$14.6 million of certificates of participation, which were originally issued to finance the purchase of the School District's administrative office building as well as additional office space. During fiscal year 2012, the School District made principal payments of \$345,000 and refunded \$14,415,000 of the certificates of participation.

Additional information on the School District's long-term obligations can be found in Note 14 to the basic financial statements.

Future Economic Factors

The State funding for schools is based on several factors all of which are subject to deliberations and approval of the Ohio General Assembly. School funding beyond fiscal year 2012 will be set as part of the State's biennial budget for fiscal years 2013 and 2014. Due to the economic conditions within the State and the anticipated short fall in tax revenues in the next bi-annual budget, the level at which the State will fund schools is uncertain.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional financial information contact the Treasurer's Office at Dayton City School District, 115 South Ludlow Street, Dayton, Ohio 45402 or call (937) 542-3018.

DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
STATEMENT OF NET ASSETS
JUNE 30, 2012

		Governmental Activities
Assets:		
Equity in Pooled Cash and Cash Equivalents	\$	89,699,337
Cash and Cash Equivalents:		
With Fiscal Agent		11,086,400
Receivables:		
Property and Other Taxes		102,563,185
Accounts		235,319
Intergovernmental		12,606,238
Accrued Interest		311,369
Inventory of Supplies and Materials		731,449
Inventory Held for Resale		639,738
Prepaid Items		445,753
Deferred Charges		1,902,839
Capital Assets:		
Non-Depreciable		68,737,508
Depreciable, Net of Accumulated Depreciation		431,543,497
Total Assets		720,502,632
Liabilities:		
Accounts Payable		4,898,188
Accrued Wages and Benefits Payable		8,751,498
Intergovernmental Payable		5,938,557
Accrued Interest Payable		899,225
Accrued Vacation Leave Payable		1,560,110
Matured Compensated Absences Payable		433,805
Retainage Payable		731,896
Unearned Revenue		64,203,957
Long Term Liabilities:		
Due Within One Year		11,914,333
Due in More Than One Year		269,443,020
Total Liabilities		368,774,589
Net Assets:		
Invested in Capital Assets, Net of Related Debt		238,805,006
Restricted for:		
Capital Projects		46,818,840
Classroom Facilities Maintenance		8,978,472
Other Purpose		9,535,006
Debt Service		774,963
Unrestricted		46,815,756
Total Net Assets	\$	351,728,043

See accompanying notes to the basic financial statements.

DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2012

		Program Revenues		Net (Expense) Revenue and Changes in Net Assets
	Expenses	Charges for Services & Sales	Operating Grants and Contributions	Total Governmental Activities
Governmental Activities:				
Instruction:				
Regular	\$ 60,046,277	\$ 2,353,387	\$ 1,857,946	\$ (55,834,944)
Special	27,538,279	-	23,124,252	(4,414,027)
Vocational	2,979,695	-	1,885,658	(1,094,037)
Adult/Continuing	20,336	15,850	1,906	(2,580)
Student Intervention Services	3,536,600	-	2,704,143	(832,457)
Support Services:				
Pupils	11,415,832	6,160	2,455,482	(8,954,190)
Instructional Staff	18,606,460	465	10,962,308	(7,643,687)
Board of Education	660,791	-	22,407	(638,384)
Administration	18,505,586	628	981,379	(17,523,579)
Fiscal	4,596,315	-	1,267,996	(3,328,319)
Business	2,578,038	-	-	(2,578,038)
Operation and Maintenance of Plant	21,073,668	706,457	6,159	(20,361,052)
Pupil transportation	17,184,232	-	529,490	(16,654,742)
Central	10,263,636	-	82,835	(10,180,801)
Non-instructional Services	69,881,407	1,062,209	9,515,346	(59,303,852)
Extracurricular Activities	1,773,357	576,411	-	(1,196,946)
Interest and Fiscal Charges	9,954,404	-	-	(9,954,404)
Unallocated Depreciation *	9,694,823	-	-	(9,694,823)
Total Governmental Activities	\$ 290,309,736	\$ 4,721,567	\$ 55,397,307	(230,190,862)
General Revenues:				
Property taxes levied for:				
				49,195,475
			General purposes	
			Debt service	9,936,314
			Capital projects	522,806
			Other purposes	522,806
			Grants and entitlements not restricted to specific programs	142,564,676
			Investment earnings	(21,491,596)
			Gain on Sale of Capital Assets	130,000
			Miscellaneous	6,485,271
			Total General Revenues	187,865,752
			Changes in net assets	(42,325,110)
			Net assets at beginning of year	394,053,153
			Net assets at end of year	\$ 351,728,043

* This amount excludes the depreciation that is included in the direct expense of the various functions.

See accompanying notes to the basic financial statements.

DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2012

	General Fund	Bond Retirement Fund	Building Fund	Classroom Facilities Fund	Nonmajor Governmental Funds	Total Governmental Funds
<u>Assets:</u>						
Equity in Pooled Cash and Cash Equivalents	\$ 21,064,974	\$ 3,020,463	\$ 19,063,483	\$ 13,458,252	\$ 21,199,420	\$ 77,806,592
Cash and Cash Equivalents:						
With Fiscal Agent	-	-	-	9,683,900	670,604	10,354,504
Receivables:						
Property and Other Taxes - Current	55,277,934	11,282,409	-	-	1,177,553	67,737,896
Property and Other Taxes - Delinquent	28,188,602	6,013,765	-	-	622,922	34,825,289
Accounts	196,702	-	-	-	33,278	229,980
Intergovernmental	17,617	-	67,751	-	12,520,870	12,606,238
Accrued Interest	123,384	1,688	6,693	179,604	-	311,369
Due from Other Funds	5,801,306	-	-	-	45	5,801,351
Prepaid Items	389,333	-	31,466	24,954	-	445,753
Inventory of Supplies and Materials	731,449	-	-	-	-	731,449
Restricted Assets:						
Cash and Cash Equivalents w/Fiscal Agent	-	-	-	731,896	-	731,896
Total Assets	<u>\$ 111,791,301</u>	<u>\$ 20,318,325</u>	<u>\$ 19,169,393</u>	<u>\$ 24,078,606</u>	<u>\$ 36,224,692</u>	<u>\$ 211,582,317</u>
<u>Liabilities and Fund Balances:</u>						
<u>Liabilities:</u>						
Accounts Payable	\$ 915,751	\$ 6,698	\$ 386,852	\$ 908,080	\$ 2,678,233	\$ 4,895,614
Accrued Wages and Benefits Payable	7,738,474	-	26,795	-	982,731	8,748,000
Intergovernmental Payable	4,082,019	-	38,517	-	744,477	4,865,013
Due to Other Funds	45	-	-	-	5,801,306	5,801,351
Deferred Revenue	80,786,606	16,634,571	6,693	179,604	11,122,794	108,730,268
Matured Compensated Absences Payable	332,589	-	-	-	101,216	433,805
Retainage Payable from Restricted Assets	-	-	-	731,896	-	731,896
Total Liabilities	<u>93,855,484</u>	<u>16,641,269</u>	<u>458,857</u>	<u>1,819,580</u>	<u>21,430,757</u>	<u>134,205,947</u>
<u>Fund Balances:</u>						
Nonspendable	1,120,782	-	31,466	24,954	-	1,177,202
Restricted	-	3,677,056	18,679,070	22,234,072	16,951,264	61,541,462
Assigned	2,791,751	-	-	-	-	2,791,751
Unassigned (Deficit)	14,023,284	-	-	-	(2,157,329)	11,865,955
Total Fund Balances	<u>17,935,817</u>	<u>3,677,056</u>	<u>18,710,536</u>	<u>22,259,026</u>	<u>14,793,935</u>	<u>77,376,370</u>
Total Liabilities and Fund Balances	<u>\$ 111,791,301</u>	<u>\$ 20,318,325</u>	<u>\$ 19,169,393</u>	<u>\$ 24,078,606</u>	<u>\$ 36,224,692</u>	<u>\$ 211,582,317</u>

See accompanying notes to the basic financial statements.

DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET ASSETS OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2012

Total Governmental Fund Balances:		\$ 77,376,370
<i>Amounts reported for governmental activities in the statement of net assets are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		500,281,005
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		
Taxes	34,825,289	
Interest	311,369	
State and federal grants	9,389,653	
		44,526,311
Costs associated with the issuance of long-term bond obligations are deferred and amortized over the life of the bond issue on the accrual basis but are only reported as expenditures in the year in which the bonds are issued.		1,902,839
Internal service funds are used by management to charge the costs of operating the central warehouse and providing dental insurance and workers' compensation coverage to the individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net assets.		
Internal Service Net Assets	6,051,564	
Capital Assets	(102,107)	
Compensated absences	12,767	
Claims Payable	5,495,982	
		11,458,206
In the statement of activities, interest is accrued on outstanding bonds, whereas in the governmental funds, an interest expenditure is reported when due		(899,225)
Long-term liabilities which are not due and payable in the current period and therefore are not reported in the funds.		
General obligation bonds	(201,805,000)	
Premium on G.O. bonds	(8,082,137)	
QZAB bonds	(10,000,000)	
Embedded derivative (option)	(35,832,636)	
Certificates of participation	(14,735,000)	
Unamortized Premium on Refunded Certificates of Participation	(622,210)	
Gain	729,824	
Long-term notes payable	(1,050,000)	
Compensated absences	(4,464,212)	
Claims Payable	(5,495,982)	
Vacation Leave Payable	(1,560,110)	
Total		(282,917,463)
Net Assets of Governmental Activities		<u>\$ 351,728,043</u>

See accompanying notes to the basic financial statements.

DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	General Fund	Bond Retirement Fund	Building Fund	Classroom Facilities Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:						
Taxes	\$ 56,231,622	\$ 11,002,894	\$ -	\$ -	\$ 1,160,686	\$ 68,395,202
Intergovernmental	152,229,897	3,108,977	-	3,032,550	46,382,780	204,754,204
Interest	247,821	3,016	13,033	898,732	7,472	1,170,074
Tuition and Fees	2,181,368	-	-	-	-	2,181,368
Rent	574,411	-	-	-	-	574,411
Gifts and Donations	-	-	-	-	17,764	17,764
Customer Sales and Service	116,137	-	-	-	1,062,209	1,178,346
Extracurricular Activities	225,404	-	-	-	562,038	787,442
Miscellaneous	4,701,351	-	1,714,138	6,176	63,606	6,485,271
Total Revenues	216,508,011	14,114,887	1,727,171	3,937,458	49,256,555	285,544,082
Expenditures:						
Current:						
Instruction:						
Regular	50,153,402	-	-	-	6,963,634	57,117,036
Special	18,350,677	-	-	-	9,285,214	27,635,891
Vocational	2,557,950	-	-	-	413,350	2,971,300
Adult/Continuing	20,221	-	-	-	-	20,221
Student Intervention Services	791,151	-	-	-	2,676,368	3,467,519
Support Services:						
Pupils	8,175,421	-	-	-	3,106,848	11,282,269
Instructional Staff	6,760,576	-	143,353	-	11,612,619	18,516,548
Board of Education	629,222	-	-	-	-	629,222
Administration	11,048,088	-	-	6,071,525	1,314,483	18,434,096
Fiscal	2,714,443	352,157	3,503	57,898	1,455,652	4,583,653
Business	2,554,132	-	-	-	-	2,554,132
Operation and Maintenance of Plant	19,782,843	-	114,276	-	915,730	20,812,849
Pupil Transportation	15,234,159	-	-	-	3,083,307	18,317,466
Central	6,367,775	-	791,860	-	3,372,739	10,532,374
Non-Instructional Services	59,129,324	-	-	-	10,608,104	69,737,428
Extracurricular Activities	1,085,812	-	-	-	646,817	1,732,629
Capital Outlay	-	-	3,453,746	19,535,051	1,101,135	24,089,932
Debt Service:						
Principal Retirement	753,277	6,815,000	-	-	2,013,980	9,582,257
Interest and Fiscal Charges	451,687	9,884,924	-	-	47,715	10,384,326
Issuance Costs	232,600	-	-	-	59,898	292,498
Total Expenditures	206,792,760	17,052,081	4,506,738	25,664,474	58,677,593	312,693,646
Excess of Revenues Over (Under)						
Expenditures	9,715,251	(2,937,194)	(2,779,567)	(21,727,016)	(9,421,038)	(27,149,564)
Other Financing Sources (Uses):						
Refunding Bonds Issued	14,735,000	-	-	-	-	14,735,000
Proceeds from Sale of Bonds	-	-	-	-	2,495,000	2,495,000
Proceeds From Sale of Capital Assets	130,000	-	-	-	-	130,000
Premium on Issuance of Bonds	-	-	-	-	64,898	64,898
Premium on Issuance of Refunding Bonds	628,370	-	-	-	-	628,370
Payment to Refunding Bonds Escrow Agent	(15,130,769)	-	-	-	-	(15,130,769)
Transfers-In	-	-	12,361,179	-	3,818,484	16,179,663
Transfers-Out	(2,151,634)	-	(1,666,850)	(12,361,179)	-	(16,179,663)
Total Other Financing Sources (Uses)	(1,789,033)	-	10,694,329	(12,361,179)	6,378,382	2,922,499
Net Change in Fund Balance	7,926,218	(2,937,194)	7,914,762	(34,088,195)	(3,042,656)	(24,227,065)
Fund Balance at Beginning of Year	10,009,599	6,614,250	10,795,774	56,347,221	17,836,591	101,603,435
Fund Balance at End of Year	\$ 17,935,817	\$ 3,677,056	\$ 18,710,536	\$ 22,259,026	\$ 14,793,935	\$ 77,376,370

See accompanying notes to the basic financial statements.

DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

Net Change in Fund Balances - Total Governmental Funds		\$ (24,227,065)
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets are allocated over their estimated useful lives as depreciation expense. This is the net difference between capital outlay and depreciation expense in the current period.		
Capital asset additions	26,843,068	
Current year depreciation	<u>(11,759,896)</u>	
Total		15,083,172
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Taxes	(8,217,801)	
Interest	(135,043)	
State and federal grants	(6,817,457)	
Change in fair values of embedded derivatives (options)	<u>(22,519,155)</u>	
Total		(37,689,456)
In governmental funds, proceeds from sale of debt is considered a source of financing, but in the statement of net assets, the debt obligations are reported as a liability.		
Certificates of participation	(14,735,000)	
General obligations bonds	<u>(2,495,000)</u>	
Total		(17,230,000)
Governmental funds report bond issuance costs as expenditures, whereas these amounts are deferred and amortized in the statement of activities.		
		292,498
Repayment of long-term debt obligation principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.		
General obligation principal payments	7,160,000	
General obligation bonds refunded	15,130,769	
Premium on bonds issued	(693,268)	
Long term notes principal payments	350,000	
Capital Lease principal payments	<u>2,072,257</u>	
Total		24,019,758
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. The difference in the amount of interest on the statement of activities is the result of the following:		
Accrued interest	7,262	
Amortization of bond issuance costs	(103,348)	
Amortization of gain on refunding	(7,226)	
Amortization of bond premium	<u>533,234</u>	
Total		429,922
Some expenses reported in the statement of activities, such as compensated absences do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Claims payable	(491,881)	
Compensated absences payable	617,529	
Vacation Payable	<u>26,582</u>	
Total		152,230
Internal service funds are used by management to charge the costs of operating the central warehouse as well as providing dental insurance and workers' compensation coverage to the individual funds, and are not reported in the statement of activities. Governmental fund expenditures and the related internal service fund revenues are eliminated. The net revenue or expense of the internal service funds is allocated among the governmental activities.		
Change in Net Assets	(3,672,159)	
Claims Payable	491,881	
Compensated absences payable	529	
Vacation leave payable	3,884	
Change in Capital Assets	<u>19,696</u>	
Total		<u>(3,156,169)</u>
Change in Net Assets of Governmental Activities		<u>\$ (42,325,110)</u>

See accompanying notes to the basic financial statements.

DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GENERAL FUND - BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Taxes	\$ 52,448,264	\$ 57,835,328	\$ 57,346,275	\$ (489,053)
Intergovernmental	143,032,148	154,761,061	152,285,620	(2,475,441)
Interest	533,048	587,798	293,399	(294,399)
Tuition and Fees	2,072,540	2,285,416	2,159,295	(126,121)
Rent	551,333	607,961	574,411	(33,550)
Customer Sales and Services	107,311	118,333	111,802	(6,531)
Miscellaneous	3,203,134	3,532,134	3,337,212	(194,922)
Total Revenues	201,947,778	219,728,031	216,108,014	(3,620,017)
Expenditures:				
Current:				
Instruction:				
Regular	49,874,711	52,720,825	52,413,272	307,553
Special	17,580,305	18,583,530	18,473,307	110,223
Vocational	2,381,771	2,517,687	2,502,754	14,933
Student Intervention Services	760,260	803,645	798,878	4,767
Support Services:				
Pupils	8,019,966	8,477,627	8,427,359	50,268
Instructional Staff	6,253,057	6,609,889	6,570,682	39,207
Board of Education	688,638	727,935	723,617	4,318
Administration	10,540,844	11,142,361	11,076,308	66,053
Fiscal	2,427,939	2,566,490	2,551,267	15,223
Business	2,400,218	2,537,186	2,522,161	15,025
Plant Operation and Maintenance	18,342,381	19,389,094	19,283,427	105,667
Pupil Transportation	14,574,328	15,406,017	15,314,639	91,378
Central	6,154,474	6,505,681	6,467,097	38,584
Non Instructional Services	60,232,688	63,669,884	59,129,324	4,540,560
Extracurricular Activities	983,980	1,040,131	1,033,961	6,170
Debt Service:				
Principal Retirement	345,000	345,000	345,000	-
Interest and Fiscal Charges	755,000	493,268	397,168	96,100
Issuance Costs	-	232,600	232,600	-
Total Expenditures	202,315,560	213,768,850	208,262,821	5,506,029
Excess of Revenues Over (Under) Expenditures	(367,782)	5,959,181	7,845,193	1,886,012
Other Financing Sources (Uses):				
Proceeds from Refunding Bonds	14,622,137	15,663,044	14,735,000	(928,044)
Premium on Refunding Bonds	628,370	628,370	628,370	-
Proceeds from Sale of Capital Assets	-	525,502	525,502	-
Payment to Refunding Escrow Agent	(14,226,998)	(15,130,769)	(15,130,769)	-
Advances-In	-	-	4,548,060	4,548,060
Advances-Out	-	-	(4,162,900)	(4,162,900)
Transfers-Out	(23,434)	(24,772)	(24,625)	147
Total Other Financing Sources (Uses)	1,000,075	1,661,375	1,118,638	(542,737)
Net Change in Fund Balance	632,293	7,620,556	8,963,831	1,343,275
Fund Balance at Beginning of Year	17,900,841	9,220,749	9,220,749	-
Prior Year Encumbrances Appropriated	3,957,630	947,821	947,821	-
Fund Balance at End of Year	\$ 22,490,764	\$ 17,789,126	\$ 19,132,401	\$ 1,343,275

See accompanying notes to the basic financial statements.

DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
STATEMENT OF FUND NET ASSETS
INTERNAL SERVICE FUNDS
JUNE 30, 2012

	Governmental Activities
	Internal Service Funds
<u>Assets:</u>	
Current Assets:	
Equity in Pooled Cash and Cash Equivalents	\$ 11,892,745
Accounts Receivable	5,339
Inventory Held for Resale	639,738
Total Current Assets	12,537,822
Noncurrent Assets:	
Capital Assets, Net of Accumulated Depreciation	102,107
Total Assets	12,639,929
<u>Liabilities:</u>	
Current Liabilities:	
Accounts Payable	2,574
Accrued Wages and Benefits Payable	3,498
Intergovernmental Payable	1,073,544
Claims Payable	3,182,706
Compensated Absences Payable	5,419
Total Current Liabilities	4,267,741
Noncurrent Liabilities:	
Claims Payable	2,313,276
Compensated Absences Payable	7,348
Total Noncurrent Liabilities	2,320,624
Total Liabilities	6,588,365
<u>Net Assets:</u>	
Invested in Capital Assets	102,107
Unrestricted	5,949,457
Total Net Assets	\$ 6,051,564

See accompanying notes to the basic financial statements.

DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET ASSETS
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Governmental Activities
	Internal Service Funds
Operating Revenues:	
Sales	\$ 72,604
Charges for Services	30,373,214
Other Revenues	10,633
Total Operating Revenues	30,456,451
Operating Expenses:	
Salaries and Wages	70,037
Fringe Benefits	23,639
Purchased Services	3,643,727
Claims	30,042,069
Supplies and Materials	24,246
Cost of Sales	292,014
Depreciation	19,696
Total Operating Expenses	34,115,428
Operating Loss	(3,658,977)
Nonoperating Expense:	
Other	(13,182)
Change in Net Assets	(3,672,159)
Net Assets at Beginning of Year	9,723,723
Net Assets at End of Year	\$ 6,051,564

See accompanying notes to the basic financial statements.

DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Governmental Activities
	Internal Service Funds
<u>Increase (Decrease) in Cash and Cash Equivalents</u>	
Cash Flows from Operating Activities:	
Cash Received from Interfund Services Provided	\$ 30,442,288
Cash Received from Other Operating Revenues	10,633
Cash Payments to Suppliers for Goods	(3,576,346)
Cash Payments to Employees for Services	(99,309)
Cash Payments for Employee Benefits	(67,715)
Cash Payments for Claims	(29,550,188)
Cash Payments for Other Operating Expense	(13,182)
Net Decrease in Cash and Cash Equivalents	(2,853,819)
Cash and Cash Equivalents Beginning of Year	14,746,564
Cash and Cash Equivalents End of Year	\$ 11,892,745
Reconciliation of Operating Loss to Net Cash Used in Operating Activities:	
Operating Loss	\$ (3,658,977)
Adjustments:	
Depreciation	19,696
Other Non-Operating Expenses	(13,182)
Increase in Accounts Receivable	(3,530)
Decrease in Inventory Held for Resale	292,014
Decrease in Accounts Payable	(25,536)
Increase in Accrued Wages and Benefits	610
Increase in Compensated Absences Payable	529
Decrease in Vacation Payable	(1,450)
Increase in Intergovernmental Payable	44,126
Increase in Claims Payable	491,881
Net Cash Used in Operating Activities	\$ (2,853,819)

See accompanying notes to the basic financial statements.

DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2012

	Private Purpose Trust Fund	Agency Fund
Assets:		
Equity in Pooled Cash and Cash Equivalents	\$ 30,479	\$ 174,100
Total Assets	\$ 30,479	\$ 174,100
Liabilities:		
Accounts Payable	-	\$ 9,865
Due to Students	-	164,235
Total Liabilities	-	\$ 174,100
Net Assets:		
Held in Trust for Scholarships	\$ 30,479	

See accompanying notes to the basic financial statements.

DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUND
JUNE 30, 2012

	<u>Private Purpose Trust Fund</u>
Additions:	
Donations	\$ 32,975
Deductions:	
Payments in Accordance with Trust Agreements	<u>22,563</u>
Change in Net Assets	10,412
Net Assets Beginning of Year	<u>20,067</u>
Net Assets End of Year	<u>\$ 30,479</u>

See accompanying notes to the basic financial statements.

DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

Dayton City School District (the "School District") is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution of the State of Ohio. The School District operates under a locally elected seven-member Board form of government and provides educational services as mandated by State and/or federal agencies.

The School District is the 6th largest urban school district in the State of Ohio in terms of enrollment. It is staffed by 1,523 certificated employees and 400 classified employees who provide services to student enrollment totaling 14,179.

Reporting Entity A reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the School District consists of all funds, departments, boards, and agencies that are not legally separate from the School District. For Dayton City School District, this includes general operations, food service, student guidance, extracurricular activities, educational media, care and upkeep of grounds and buildings, preschool and student related activities of the School District.

Component units are legally separate organizations for which the School District is financially accountable. The School District is financially accountable for an organization if the School District appoints a voting majority of the organization's governing board and (1) the School District is able to significantly influence the programs or services performed or provided by the organization; or (2) the School District is legally entitled to or can otherwise access the organization's resources; the School District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the School District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the School District in that the School District approves the budget, the issuance of debt, or the levying of taxes for the organization. The School District does not have any component units.

The following activities are included within the reporting entity:

Parochial Schools Within the School District boundaries are eight parochial schools, which are operated as private schools. Current State legislation provides funding to these parochial schools. These monies are received and disbursed on behalf of the parochial schools by the Treasurer of the School District, as directed by the parochial schools. The activity of these State monies is reflected in a special revenue fund and as part of governmental activities for financial reporting purposes.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Dayton City School District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The School District also applies Financial Accounting Standards Board (FASB) guidance issued on or before November 30, 1989, to its governmental activities and to its Internal Service Funds provided they do not conflict with or contradict GASB pronouncements. The more significant of the School District's accounting policies are described below.

DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

A. Basis Of Presentation

The School District's basic financial statements consist of government-wide statements, including a statement of net assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Government-Wide Financial Statements

The statement of net assets and the statement of activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements to avoid "doubling up" revenues and expenses. Interfund services provided and used are not eliminated as this would distort expenses and revenues reported for the various functions concerned.

The statement of net assets presents the financial condition of the governmental activities of the School District at fiscal year-end. The government-wide statement of activities presents a comparison between direct expenses and program revenues for each program or function of the School District's governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the School District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the School District.

Fund Financial Statements

During the fiscal year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the School District at this more detailed level. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Internal service funds are combined and the totals are presented in a single column on the face of the proprietary fund statements. Fiduciary funds are reported by fund type.

B. Fund Accounting

The School District uses funds to maintain its financial records during the fiscal year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The various funds of the School District are grouped into the categories governmental, proprietary, and fiduciary.

Governmental Funds

Governmental funds focus on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used.

DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The School District has four major governmental funds; the General, Bond Retirement, Building and Classroom Facilities Funds.

General Fund

The General Fund is the operating fund of the School District and is accounts for and reports all financial resources except those required to be accounted for in another fund. The General Fund is available to the School District for any purpose provided it is expended or transferred according to the general laws of Ohio.

Bond Retirement Fund

The Bond Retirement Fund accounts for and reports the accumulation of restricted local property taxes received and the payment of general long-term obligations, specifically the general obligation bonds and notes issued in conjunction with the School District's school facilities projects.

Building Fund

The Building Fund accounts for and reports financial resources, including proceeds from the sale of debt obligations, other local funds, and construction costs associated with the local initiatives involved in the School District's school facilities project.

Classroom Facilities Fund

The Classroom Facilities Fund accounts for and reports restricted financial resources, including intergovernmental capital grants, proceeds from the sale of debt obligations and interest received, and construction costs associated with the basic requirements of the master plan associated with the School District's school facilities projects.

The other governmental funds of the School District account for grants and other resources and capital projects of the School District whose uses are restricted or committed to a particular purpose.

Proprietary Fund

The proprietary fund focuses on the determination of operating income, the changes in net assets, financial position, and cash flows. Proprietary funds are classified as enterprise or internal service; the School District has no enterprise funds.

DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Internal Service Funds

Internal service funds account for the financing of services provided by one department or agency to other departments or agencies of the School District on a cost reimbursement basis. The School District has three internal service funds; one to account for the operations of the central warehouse and distribution facility, another accounts for the self-insurance program which provides medical benefits to employees, and the remaining one accounts for monies collected for workers' compensation payments under the retrospective rating plan.

Fiduciary Fund

Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds, and agency funds. Private purpose trust funds are used to account for assets held by the School District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the School District's own programs. The School District's only trust fund is private purpose trust which accounts for college scholarship programs for students. The School District only has one agency fund which is used to account for the monies managed on behalf of the student managed activities throughout the School District. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

C. Measurement Focus

Government-wide Financial Statements

The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the School District are included on the statement of net assets. The statement of activities presents increases (e.g. revenues) and decreases (e.g. expenses) in total net assets.

Fund Financial Statements

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Like the government-wide statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of net assets. The statement of changes in fund net assets presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the School District finances and meets the cash flow needs of its proprietary activities.

DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. On the fund level, governmental funds use the modified accrual basis of accounting and the internal service funds use the accrual basis of accounting. Differences in the accrual and modified accrual bases of accounting arise in the recognition of revenue, the recording of deferred revenue and in the presentation of expenses versus expenditures.

Revenues - Exchange and Non-exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. “Measurable” means the amount of the transaction can be determined and “available” means the resources are collectible within the current fiscal year, or soon enough thereafter to be used to pay liabilities of the current fiscal year. For the School District, available means expected to be received within 60 days of fiscal year-end.

Nonexchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (See Note 7). Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the fiscal year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the School District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis.

On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized. Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year end: property taxes available as an advance, operating and capital grants, investment earnings, tuition, student fees and various miscellaneous revenues.

Unearned/Deferred Revenue

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Property taxes for which there is an enforceable legal claim as of June 30, 2012, but which were levied to finance fiscal year 2013 operations, have been recorded as unearned revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as unearned revenue.

On governmental fund financial statements, receivables that will not be collected within the available period have been reported as deferred revenue.

Expenses/Expenditures

On the accrual basis of accounting, expenses are recognized at the time they are incurred.

DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

E. Budget Data

All funds, other than the Student Managed Activities agency fund and the Educational Foundation special revenue fund are legally required to be budgeted and appropriated.

The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriation resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount the Board of Education may appropriate. The appropriation resolution is the Board's authorization to spend resources and sets annual limits on expenditures plus encumbrances at a level of control selected by the Board. The Board has established the legal level of budgetary control at the fund level for each fund.

The certificate of estimated resources may be amended during the fiscal year if projected increases or decreases in revenue are identified by the School District. The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts in the certificate when the original appropriations were adopted. The amounts reported as the final budgeted amounts in the budgetary statements reflect the amounts in the final amended certificate issued during fiscal year 2012.

The appropriation resolution is subject to amendment by the Board throughout the school year with the restriction that appropriations may not exceed estimated revenues. The amounts reported as the original budgeted amounts reflect the first appropriation for that fund that covered the entire fiscal year, including amounts automatically carried over from prior fiscal years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Board during the fiscal year.

F. Cash and Cash Equivalents

To improve cash management, cash received by the School District is pooled in a central bank account. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through the School District's records. Each fund's interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents" on the balance sheet. For reporting purposes, investments of the pool are considered cash equivalents. The School District utilizes a fiscal agent to handle money set aside in the Educational Foundation special revenue fund. In addition, the School District has deposited money in a trust account for the future repayment of debt obligations as they become due which is also reported as Cash and Cash Equivalents with Fiscal Agent. The amount reported on the balance sheet as "Restricted Assets – Cash and Cash Equivalents with Fiscal Agent" represents escrow accounts established in conjunction with school facilities construction contracts.

During fiscal year 2012, the School District's investments were limited to the State Treasury Asset Reserve of Ohio (STAROhio), negotiable certificates of deposit, money market mutual funds, and federal agency securities.

DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

STAROhio is an investment pool managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's net asset value per share which is the price the investment could be sold for on June 30, 2012. The Education Foundation monies are also invested in an outside investment pool, the Dayton Foundation. The Dayton Foundation operates in a manner similar to STAROhio.

Except for nonparticipating investment contracts, investments are reported at fair value, which is based on quoted market prices. Investment contracts and money market investments that had a remaining maturity of one year or less at the time of purchase are reported at cost or amortized cost.

The Board of Education has credited interest earnings to those funds as established by the Ohio Revised Code. Interest revenue credited to the General Fund during fiscal year 2012 amounted to \$247,821, which includes \$98,530 assigned from other School District funds. Interest was also recorded in the Bond Retirement, Building, Classroom Facilities and Other Governmental Funds in the amounts of \$3,016, \$13,033, \$898,732, and \$7,472, respectively. On the accrual basis of accounting, the School District reported investment earnings of \$1,027,559 on the statement of activities prior to the recognition of the change in the fair market value on the swaption agreements.

G. Inventory

On government-wide financial statements, inventories are presented at the lower of cost or market on a first-in, first-out basis and are expensed when used.

On fund financial statements, inventories of governmental funds are stated at cost while inventories of proprietary funds are stated at the lower of cost or market. For all funds, cost is determined on a first-in, first-out basis. Inventory in governmental funds consists of expendable supplies held for consumption, donated food, and purchased food. The cost of inventory items is recorded as an expenditure in the governmental fund types when consumed or used. Inventories of internal service funds consist primarily of supplies held for resale and are expensed when sold.

H. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2012, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and expenditure/expense is reported in the year in which services are consumed.

I. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

J. Capital Assets and Depreciation

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported within the governmental activities on the government-wide statement of net assets but are not reported in the fund statements. Internal service fund's capital assets reported in the fund statements are combined with the governmental activities on the government-wide statement of net assets.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements throughout the year. Donated capital assets are recorded at their fair market values as of the date received. The School District maintains a capitalization threshold of \$5,000. The School District does not possess any infrastructure. Improvements are capitalized; the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

All reported capital assets, except for land and construction in progress, are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives.

Description	Estimated Lives
Buildings and Improvements (Land Improvements)	50 years
Furniture and Equipment	3 – 10 years
Vehicles	10 years

K. Internal Activity

Transfers within governmental activities are eliminated on the government-wide financial statements.

Internal allocations of overhead expenses from one function to another or within the same function are eliminated on the statement of activities. Payments for interfund services provided and used are not eliminated.

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in the proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

L. Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the School District will compensate the employees for the benefits through paid time off or some other means. The School District records a liability for accumulated unused vacation time when earned for all employees with more than one year of service. The liability for vacation benefits is recorded as "accrued vacation leave payable", rather than long-term liabilities as the balances for most employees are to be used by employees in the fiscal year following the fiscal year in which the benefit was earned.

Sick leave benefits are accrued as a liability using the vesting method which states that the School District will estimate its liability based on sick leave accumulated at the balance sheet date by those employees who currently are eligible to receive termination payments as specified by the retirement system as well as other employees who are expected to become eligible in the future to receive such payments. The amount is based on accumulated sick leave and employees' wage rates at fiscal year-end, taking into consideration any limits specified in the School District's termination policy. The School District records a liability for accumulated sick leave for all employees after 15 years of current service with the School District.

The entire compensated absence liability is reported on the government-wide financial statements. For governmental fund financial statements, the current portion of unpaid compensated absences is the amount that has matured (i.e., due for payment during the current fiscal year for employees who have retired but have not received payment at fiscal year-end). These amounts are recorded in the account "matured compensated absences payable" in the fund from which the employees who have accumulated leave are paid. The non-current portion of the liability is not reported in the fund financial statements.

M. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements. All payables, accrued liabilities and long-term obligations payable from the proprietary fund are reported on the fund financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment with current available resources. Bonds, certificates of participation, long-term notes, and capital leases are recognized as an expenditure and liability on the governmental fund financial statements when due.

DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

N. Operating Revenues and Expenses

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the School District's internal service funds are charges made to other funds for the purchase of goods from the warehouse and premiums for the self-insurance program. Operating expenses for the internal service funds include the cost of goods sold from the warehouse, costs of managing and delivering those goods, and claims paid from the self-insurance and workers compensation programs. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

O. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. At June 30, 2012, there were no net assets restricted by enabling legislation.

The School District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

P. Fund Balances

Fund balance is divided into five classifications based primarily on the extent to which the School District is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

Nonspendable

The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash.

Restricted

Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions.

DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Committed

The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of the School District. Those committed amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned

Amounts in the assigned fund balance classification are intended to be used by the School District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent fiscal year 2013 appropriations exceeding estimated resources and encumbered amount for outstanding obligations and for encumbered amounts for outstanding obligations. The School District Board of Education has given authority to assign amount for this purpose.

Unassigned

Unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The School District applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

Q. Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "Due from Other Funds" and "Due to Other Funds". These amounts are eliminated in the governmental activities column of the statement of net assets.

R. Bond Premiums/Issuance Costs

Note

In the government-wide financial statements, bond premiums and issuance costs are deferred and amortized over the term of the bonds using the straight-line method since the results are not significantly different from the effective interest method. Bond premiums are presented as an addition to the face amount of the bonds payable. Issuance costs are reported as deferred charges.

As permitted by State statute, the School District paid bond issuance costs from the bond proceeds and therefore does not consider that portion of the debt to be capital-related debt. That portion of the debt was offset against the unamortized bond issuance costs which were included in the determination of unrestricted net assets. Reporting both within the same element of the net assets prevents one classification from being overstated while another is understated by the same amount.

DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

On the fund financial statements, bond premiums are reported as “Other Financing Sources” and issuance costs are reported as expenditures in the period when the debt is issued.

NOTE 3 - CHANGES IN ACCOUNTING PRINCIPLES

For fiscal year 2012, the School District has implemented *Governmental Accounting Standard Board (GASB) Statement No. 64, “Derivative Instruments: Application of Hedge Accounting Termination Provisions – an amendment of GASB Statement No. 53.”* GASB Statement No. 64 clarifies whether an effective hedging relationship continues after the replacement of a swap counterparty or a swap counterparty's credit support provider. This Statement sets forth criteria that establish when the effective hedging relationship continues and hedge accounting should continue to be applied. The implementation of this Statement did not result in any change in the School District’s financial statements.

NOTE 4 – ACCOUNTABILITY

The following funds had fund balance deficits as of June 30, 2012:

<i>Special Revenue Funds:</i>	
Vocational Education Enhancement	\$ 3,825
Alternative Schools	25,118
Vocational Education	18,704
Head Start	1,647
Title II-D Technology	31,458
Title I School Improvement Stimulus A	51,700
Title I School Improvement Stimulus G	936,830
Title I	1,014,947
EHA Preschool Grants for the Handicapped	11,280
Miscellaneous Federal Grants	61,820

The deficits in these funds resulted from adjustments for accrued liabilities. Management expects the deficits in these funds to be corrected in early fiscal year 2013. The General Fund is liable for any deficit in these funds and provides operating transfers when cash is required, not when accruals occur.

NOTE 5 - BUDGETARY BASIS OF ACCOUNTING

While the School District is reporting financial position, results of operations, and changes in fund balances on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The statement of revenues, expenditures and changes in fund balance - budget (non-GAAP) and actual – General Fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget.

DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

NOTE 5 - BUDGETARY BASIS OF ACCOUNTING (continued)

The major differences between the budget basis and GAAP basis are as follows:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the fund liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures (budget basis) rather than as a restricted, committed, or assigned fund balance (GAAP basis).
4. Advances-In are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis).
5. The change in fair value of investments is not included on the budget basis operating statement. This amount is included on the GAAP basis operating statement.
6. Budgetary revenues and expenditures of the uniform school supplies, other grant rotary, and public school support are classified to General Fund for GAAP reporting.

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the General Fund.

Net Change in Fund Balance	
GAAP Basis	\$ 7,926,218
Revenue Accruals	462,964
Expenditure Accruals	(905,888)
Advances	385,160
Change in Market Value FY 2011	(81,505)
Change in Market Value FY 2012	(127,084)
Transfers	2,151,634
Encumbrances	(857,195)
Excess of revenues, and other financing sources and over(under) expenditures and other financing uses:	
Uniform School Supplies	(23,839)
Other Grant Rotary	1,697
Public School Support	31,669
	31,669
Budget Basis	\$ 8,963,831

DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

NOTE 6 - DEPOSITS AND INVESTMENTS

State statutes require the classification of monies held by the School District into three categories.

Active monies are public deposits determined to be necessary to meet current demands upon the School District Treasury. Active monies must be maintained either as cash in the School District Treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that the Board of Education has identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit, or by savings or deposit accounts, including passbook accounts.

Interim monies held by the School District may be deposited or invested in the following securities:

1. United States Treasury notes, bills, bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above;
4. Bonds and other obligations of the State of Ohio;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) above;
7. The State Treasurer's investment pool (STAROhio); and
8. Commercial paper and bankers acceptances if training requirements have been met.

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. Investments may only be made through specified dealers and institutions.

DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

NOTE 6 - DEPOSITS AND INVESTMENTS (continued)

Investments

Investments are reported at fair value. As of June 30, 2012, the School District had the following investments:

	<u>Fair Value</u>	<u>Weighted Average Maturity</u>	<u>Rating (1)</u>	<u>Concentration of Credit Risk</u>
Federal Home Loan Bank Bonds	\$25,249,624	0.13 Yrs	AAA	26.34%
Federal Farm Credit Bank Bonds	5,555,623	0.08 Yrs	AAA	5.79%
Federal National Mortgage Association Bonds	16,569,652	0.14 Yrs	AAA	17.28%
Federal Home Loan Mortgage Corporation Bonds	19,063,466	0.19 Yrs	AAA	19.88%
Federal Home Loan Discount Note	2,337,497	0.00 Yrs	AAA	N/A
U.S. Treasury Securities	17,608,378	0.47 Yrs	N/A	N/A
Negotiable CDs	1,742,280	0.01 Yrs	N/A	N/A
Money Market Mutual Funds	6,940,203	N/A	AAAm	N/A
Outside Investment Pools (2)	810,354	N/A	(3)	
Total	<u><u>\$95,877,077</u></u>			
Portfolio Weighted Average to Maturity		<u><u>1.02 Yrs</u></u>		

(1) Standard and Poors' ratings

(2) Outside Investment Pools include Star Ohio and Dayton Foundation.

(3) Star Ohio is rated AA+ by Standard and Poors' and the Dayton Foundation is not rated

The School District's investment policy permits the purchase of any security specifically authorized by the Ohio Revised Code and includes the following:

Interest Rate Risk – The Ohio Revised Code and the Investment and Depository Policy of the School District limits the purchase of securities to those with a maturity of no more than five years from the date of purchase unless matched to a specific obligation or debt of the School District.

Concentration of Credit Risk – Diversification shall ensure potential losses on individual securities do not exceed the income generated from the remainder of the initial investment. The School District places no limit on the amount if it may invest in any one issuer.

Credit Risk – The School District's policy limits investments to those authorized by State Statute. State Statute only addresses credit risk by limiting the investments that may be purchased to those offered by specifically identified issuers. Ohio law requires that STAROhio maintain the highest rating provided by at least one nationally recognized standard rating service and that the money market mutual fund be rated in the highest category at the time of purchase by at least one national recognized standard rating service. The negotiable certificates of deposit are in denominations of under \$250,000 each, in separate banks, and insured by Federal Deposit Insurance Corporation (FDIC).

DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

NOTE 7 - PROPERTY TAXES

Property taxes are levied and assessed on a calendar year basis while the School District's fiscal year runs from July through June. First half tax collections are received by the School District in the second half of the fiscal year. Second half tax distributions occur in the first half of the following fiscal year.

Property taxes include amounts levied against all real and public utility property located in the School District. Real property tax revenue received in calendar year 2012 represents collections of calendar year 2011 taxes. Real property taxes received in calendar year 2012 were levied after April 1, 2011, on the assessed value listed as of January 1, 2011, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenue received in calendar year 2012 represents collections of calendar year 2011 taxes. Public utility real and tangible personal property taxes received in calendar year 2012 became a lien December 31, 2010, were levied after April 1, 2011, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

The School District receives property taxes from Montgomery County. The County Auditor periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2012, are available to finance fiscal year 2012 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property and public utility property taxes which were measurable as of June 30, 2012 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reflected as revenue at fiscal year-end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred revenue.

The amounts available as an advance at June 30, 2012, was \$2,803,314, \$663,291 and \$67,334 in the General, Bond Retirement and Other Governmental Funds, respectively. The amounts available as an advance at June 30, 2011, were \$3,917,967, \$950,431, and \$93,020 in the General, Bond Retirement, and Other Governmental Funds, respectively.

On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue, while on a modified accrual basis the revenue has been deferred.

DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

NOTE 7 – PROPERTY TAXES (continued)

The assessed values upon which the fiscal year 2012 taxes were collected are:

	<u>2012 First-Half Collection</u>		<u>2011 Second-Half Collection</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/Residential and Other Real Estate	\$ 1,513,906,510	95.17%	\$ 1,746,003,550	95.86%
Public Utility	<u>76,811,230</u>	<u>4.83%</u>	<u>75,471,510</u>	<u>4.14%</u>
Total Assessed Value	<u>\$ 1,590,717,740</u>	<u>100.00%</u>	<u>\$ 1,821,475,060</u>	<u>100.00%</u>
Tax Rate per \$1,000	\$77.52		\$76.52	

NOTE 8 - RECEIVABLES

Receivables at June 30, 2012, consisted of current and delinquent property and other taxes, accounts (tuition and student fees), intergovernmental grants, accrued interest and interfund transactions. All receivables, except delinquent property taxes, are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current fiscal year guarantee of federal funds. Property taxes, although ultimately collectible, include some portion of delinquents that will not be collected within one year.

A summary of the principal items of intergovernmental receivables follows:

Governmental Activities:	
<i>General Fund:</i>	
Due from other Governments	\$17,617
<i>Building Fund</i>	
School Facilities Construction Grants	67,751
<i>Other Governmental Funds:</i>	
Alternative Schools State Grant	43,601
Public School Preschool	17,775
Race to the Top	1,479,107
Title VI(B) Grant	1,424,529
Vocational Education	195,743
Vocational Education Enhancement	5,000
Title I Grant	3,285,157
Title II-D Technology	89,080
Title I School Improvement Stimulus A	722,475
Title I School Improvement Stimulus G	2,199,614
Drop out prevention	61,788
Data Communication Grants	2,093
EHA Pre-School Grants	18,961
Title VI-R Grant	2,820,550
Miscellaneous Federal Grants	71,592
Food Service	83,805
Total Other Governmental Funds	<u>12,520,870</u>
Total Intergovernmental Receivables	<u>\$12,606,238</u>

DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

NOTE 9 - CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2012, was as follows:

	Balance 6/30/2011	Additions	Deductions	Balance 6/30/2012
<u>Capital Assets, not being depreciated</u>				
Land	\$11,688,101	\$0	\$0	\$11,688,101
Construction in Progress	104,460,838	23,919,173	(71,330,604)	57,049,407
Total Capital Assets, not being depreciated	<u>116,148,939</u>	<u>23,919,173</u>	<u>(71,330,604)</u>	<u>68,737,508</u>
<u>Capital Assets, being depreciated</u>				
Buildings and Improvements	382,975,103	69,035,737	(98,980)	451,911,860
Furniture and Equipment	13,928,695	2,879,104	0	16,807,799
Vehicles	17,049,728	2,339,658	0	19,389,386
Total Capital Assets, being depreciated	<u>413,953,526</u>	<u>74,254,499</u>	<u>(98,980)</u>	<u>488,109,045</u>
<u>Less: Accumulated Depreciation</u>				
Buildings and Improvements	(28,233,704)	(9,694,823)	98,980	(37,829,547)
Furniture and Equipment	(6,304,817)	(977,885)	0	(7,282,702)
Vehicles	(10,366,111)	(1,087,188)	0	(11,453,299)
Total Accumulated Depreciation	<u>(44,904,632)</u>	<u>(11,759,896)*</u>	<u>98,980</u>	<u>(56,565,548)</u>
Capital Assets, Being Depreciated, Net	<u>369,048,894</u>	<u>62,494,603</u>	<u>-</u>	<u>431,543,497</u>
Governmental Activities Capital Assets, Net	<u>\$485,197,833</u>	<u>\$86,413,776</u>	<u>(\$71,330,604)</u>	<u>\$500,281,005</u>

* Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$237,032
Special	106,305
Vocational	61,404
Support Services:	
Pupils	26,092
Instructional Staff	43,927
Board of Education	4,115
Administration	43,729
Fiscal	13,028
Business	22,103
Operation and Maintenance of Plant	168,029
Pupil Transportation	1,185,490
Central	45,602
Operation of Non-Instructional Services	66,628
Extracurricular Activities	41,589
	<u>2,065,073</u>
Unallocated Depreciation	9,694,823
Total Depreciation Expense	<u>\$11,759,896</u>

DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

NOTE 9 - CAPITAL ASSETS (continued)

Unallocated depreciation is depreciation of the individual school buildings throughout the School District which essentially serve all functions/programs, and therefore is not included as a direct expense of any function or program but disclosed as a separate expense.

NOTE 10 - RISK MANAGEMENT

A. Property and Liability

The School district is exposed to various risks of loss related to torts: the theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2012 the School District contracted with United Educators for general liability/school leaders errors and omissions insurance with a \$5million single occurrence limit and a \$5 million annual policy aggregate. Buildings and contents are covered under Affiliated FM with a \$250,000 deductible.

Risk of direct physical loss or damage, including earth movement and flood, for school construction is covered by Great American Insurance Company with a limit of liability of \$150 million for loss of all covered causes and \$30 million for any one construction jobsite location. Pollution coverage is provided by American International Specialty Lines Insurance Company with \$5 million per claim, and \$10 million annual policy aggregate. Builders Risk is covered by Great American Insurance Group with a \$10,000 deductible. Electronic data processing equipment is covered under Allianz Global Corporate & Specialty Insurance Company with a \$1,000 deductible.

The School District's vehicles are covered under a business policy with United Educators for primary coverage. This policy carries \$5 million limit for bodily injury and property damage to third parties. The auto liability self-insured retention is \$200,000 per accident. The School District self-insures the physical damage coverage on all units.

Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. There have been no significant reductions in insurance coverage from last fiscal year.

B. Self-Insured Health Benefits

The School District provides health insurance coverage through a self-insurance plan administered by United Health Care of Ohio, Inc. Employee's share of the total monthly premium is 15 percent. The premium varies with each employee depending on the terms of the union contract. United Health Care provides claims review and processing services. The health self-insurance program is accounted for in the Internal Service Fund. The School District purchases stop-loss coverage for claims in excess of \$350,000 per employee, per occurrence.

The liability for unpaid claims of \$2,888,000 reported in the Internal Service Fund at June 30, 2012, is based on the requirements of GASB Statement No. 10, "Accounting and Financial Reporting for Risk Financing and Related Insurance Issues," as amended by GASB Statement No. 30, "Risk Management Omnibus," which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported. Estimates were calculated based upon an independent actuarial evaluation of claims payable. The estimate was not affected by incremental claims adjustment expenses and does not include other allocated or unallocated claims adjustment expenses. The School District is responsible for all claims.

DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

NOTE 10 - RISK MANAGEMENT (continued)

Changes in claims activity for employee health care benefits for the past two fiscal years are as follows:

	<u>Balance at Beginning of Year</u>	<u>Current Year Claims</u>	<u>Claim Payments</u>	<u>Balance at End of Year</u>
2011	\$2,791,000	\$25,480,045	\$25,524,045	\$2,747,000
2012	\$2,747,000	\$29,309,724	\$29,176,724	\$2,880,000

C. Workers' Compensation Retrospective Rating Program

For fiscal year 2012, the School District participated in the Ohio Bureau of Workers' Compensation Retrospective Rating Program. The Retrospective Rating Program is an alternative rating plan that allows employers to initially pay the Bureau of Workers' Compensation significantly less in premiums by assuming the responsibility of paying all compensation and medical expenses for claims incurred in that policy year. The greater the portion of risk assumed by the employer, the greater the potential reduction in premiums. Employers who enroll into this program are responsible for their claims costs for a ten-year period. Under this Program, the School District's maximum payment is 200 percent of the initial premium in total and the loss for any one individual is limited to \$300,000.

The following table summarizes workers' compensation claims payable for the past two fiscal years:

	<u>Balance at Beginning of Year</u>	<u>Current Year Claims</u>	<u>Claim Payments</u>	<u>Balance at End of Year</u>
2011	\$2,033,057	\$555,412	\$331,368	\$2,257,101
2012	\$2,257,101	\$732,345	\$373,464	\$2,615,982

NOTE 11 - DEFINED BENEFIT PENSION PLANS

A. School Employees Retirement System

Plan Description – The School District participates in the School Employees Retirement System (SERS), a cost-sharing multiple-employer defined benefit pension plan. SERS provides retirement, disability and survivor benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Ohio Revised Code Chapter 3309. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report can be obtained by visiting the SERS website at www.ohsers.org under Employers/Audit Resources.

DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

NOTE 11 - DEFINED BENEFIT PENSION PLANS (continued)

Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary and the School District is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System's funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2012, the allocation to pension and death benefits was 12.70 percent. The remaining 1.30 percent of the 14 percent employer contribution rate is allocated to the Medicare B and Health Care funds. The School District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2012, 2011, and 2010 were \$4,354,190, \$3,669,199, and \$5,839,307, respectively. For fiscal year 2012, 47.75 percent has been contributed, with the balance being reported as intergovernmental payable. The full amount has been contributed for fiscal years 2011 and 2010.

B. State Teachers Retirement System of Ohio

Plan Description – The School District participates in the State Teachers Retirement System of Ohio (STRS Ohio), a cost-sharing multiple-employer public employee retirement system. STRS Ohio provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS Ohio issues a stand-alone financial report that can be obtained by writing to STRS Ohio, 275 E. Broad St., Columbus, OH 43215-3771, by calling (888) 227-7877, or by visiting the STRS Ohio Web site at www.strsoh.org.

New members have a choice of three retirement plans; a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service, or an allowance based on a member's lifetime contributions and earned interest matched by STRS Ohio funds divided by an actuarially determined annuity factor. The DC Plan allows members to place all their member contributions and employer contributions equal to 10.5 percent of earned compensation into an investment account. Investment decisions are made by the member. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal. The Combined Plan offers features of both the DB Plan and the DC Plan. In the Combined Plan, member contributions are invested by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The DB portion of the Combined Plan payment is payable to a member on or after age 60; the DC portion of the account may be taken as a lump sum payment or converted to a lifetime monthly annuity at age 50. Benefits are established by Ohio Revised Code Chapter 3307.

A DB or Combined Plan member with five or more years of credited service who becomes disabled may qualify for a disability benefit. Eligible spouses and dependents of these active members who die before retirement may qualify for survivor benefits. Members in the DC Plan who become disabled are entitled only to their account balance. If a member of the DC Plan dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

NOTE 11 - DEFINED BENEFIT PENSION PLANS (continued)

Funding Policy - Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions. Contribution rates are established by the State Teachers Retirement Board, upon the recommendation of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. For the fiscal year ended June 30, 2012, plan members were required to contribute 10 percent of their annual covered salary. The School District was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations.

The School District's required contributions for pension obligations to STRS Ohio for the fiscal years ended June 30, 2012, 2011, and 2010 were \$9,622,262, \$10,057,416, and \$10,165,329, respectively. For fiscal year 2012, 82.27 percent has been contributed, with the balance being reported as an intergovernmental payable. The full amount has been contributed for fiscal years 2011 and 2010.

Contributions made to STRS Ohio for the DC Plan and for fiscal year 2012 were \$169,467 made by the School District and \$121,048 made by the plan members. In addition, member contributions of \$103,477 were made for fiscal year 2012 for the defined contribution portion of the Combined Plan.

NOTE 12 - POSTEMPLOYMENT BENEFITS

A. School Employee Retirement System

Plan Description – The School District participates in two cost-sharing multiple-employer defined benefit other postemployment benefit (OPEB) plans administrated by the School Employees Retirement System for non-certificated retirees and their beneficiaries, a Health Care Plan and a Medicare Part B Plan. The Health Care Plan includes hospitalization and physicians' fees through several types of plans including HMO's, PPO's, Medicare Advantage, and traditional indemnity plans as well as a prescription drug program. The Medicare Part B Plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries up to a statutory limit. Benefit provisions and the obligation to contribute are established by SERS based on authority granted by State statute. The financial reports of both Plans are included in the SERS Comprehensive Annual Financial Report which can be obtained on SERS' website at www.ohsers.org under Employers/Audit Resources.

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). For fiscal year 2012, 0.55 percent of covered payroll was allocated to health care. In addition, employers pay a surcharge for employees earning less than an actuarially determined amount; for fiscal year 2012, this amount was \$35,800. During fiscal year 2012, the School District paid \$516,960 in surcharge.

Active employee members do not contribute to the Health Care Plan. Retirees and their beneficiaries are required to pay a health care premium that varies depending on the plan selected, the number of qualified years of service, Medicare eligibility and retirement status.

The School District's contributions for health care for the fiscal years ended June 30, 2012, 2011, and 2010 were \$706,272, \$709,853, and \$797,100 respectively; 47.75 percent has been contributed for fiscal year 2012, with the balance being reported as intergovernmental payable. The full amount has been contributed for fiscal years 2011 and 2010.

DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

NOTE 12 - POSTEMPLOYMENT BENEFITS (continued)

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare B Fund. For fiscal year 2012, this actuarially required allocation was 0.75 percent of covered payroll. The School District's contributions for Medicare Part B for the fiscal years ended June 30, 2012, 2011, and 2010, were \$258,154, \$ 236,121, and \$347,251, respectively; 47.75 percent has been contributed for fiscal year 2012, with the balance being reported as intergovernmental payable. The full amount has been contributed for fiscal years 2011 and 2010.

B. State Teachers Retirement System of Ohio

Plan Description – The School District participates in the cost-sharing multiple-employer defined benefit Health Plan administered by the State Teachers Retirement System of Ohio (STRS Ohio) for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS Ohio. Ohio law authorizes STRS to offer this plan. Benefits include hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare Part B premiums. The Plan is included in the report of STRS Ohio which can be obtained by visiting www.strsoh.org or by calling (888) 227-7877.

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Active employee members do not contribute to the Health Care Plan. All benefit recipients, for the most recent year, pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For fiscal year 2012, STRS Ohio allocated employer contributions equal to one percent of covered payroll to post-employment health care. The School District's contributions for health care for the fiscal years ended June 30, 2012, 2011, and 2010 were \$740,174, \$773,647, and \$781,948, respectively; 82.27 percent has been contributed for fiscal year 2012, with the balance being reported as intergovernmental payable. The full amount has been contributed for fiscal fiscal years 2011 and 2010.

NOTE 13 - EMPLOYEE BENEFITS

A. Compensated Absences

The criteria for determining vacation and sick leave components are derived from negotiated agreements and State laws. Classified employees earn ten to twenty days of vacation per fiscal year, depending upon length of service. Vacation days are credited to classified employees each month and may be accrued up to a maximum of the number of days earned during the fiscal year. Vacation days in excess of the annual number of days earned by the employee may be carried forward only with the approval of the superintendent. Accumulated, unused vacation time is paid to classified employees and administrators upon termination of employment. Teachers do not earn vacation time.

Teachers, administrators, and classified employees earn sick leave at the rate of one and one-fourth days per month. Sick leave may be accumulated up to a maximum of 250 days. Upon retirement, payment is made for one-fourth of the total accumulated and unused sick leave, up to a maximum of 180 days for teachers and administrators and 160 days for classified employees. In addition, classified employees are subject to the following based on length of service:

DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

NOTE 13 - EMPLOYEE BENEFITS (continued)

<u>Length of Service</u>	<u>Paydays</u>
Less than five years	0 Days
Five years to 15 years	30 Days
15 years to 25 years	35 Days
Over 25 years	40 Days

Professional staff members are eligible to accumulate sick days in a severance account once they have accumulated the maximum 250 days of sick leave. These excess days may not be used as sick leave days or “catastrophic illness” donations. Accumulated severance account days will be paid for one-fourth of the accumulated balance, up to a maximum of 45 days.

B. Other Insurance Benefits

The School District provides life insurance and accidental death and dismemberment insurance to employees through Hartford Insurance Company.

NOTE 14 - LONG-TERM OBLIGATIONS

General Obligation Bonds

In prior fiscal years, the School District has issued general obligation bonds with original principal totaling \$251.1 million, in three separate issues, to provide financing for the School District’s school facilities construction project. The Series 2003-A bonds, totaling \$93.5 million, contains serial and term bonds and has a final maturity date of December 1, 2031 and has interest rates ranging from 2.0 percent to 5.0 percent. The \$6 million Series 2003-B bonds are serial bonds with a final maturity date of December 1, 2023 having interest rates ranging from 2.0 percent to 4.23 percent. The Series 2003-D serial bonds, totaling \$151.6 million, has a final maturity date of December 1, 2022, with interest rates ranging from 2.0 percent to 5.0 percent.

During fiscal year 2012, the School District issued \$2,495,000 in Equipment Acquisition Bonds for the purchase of equipment for the School District. The bonds were issued for a ten year period with final date of December 1, 2022, with rates ranging from 2.0 to 3.0 percent.

These general obligation bonds with the exception of the Equipment Acquisition Bonds are direct obligations and pledge the full faith and credit of the School District and will be paid through the Bond Retirement Fund from property taxes collected by the County Auditor. The Equipment Acquisition Bonds will be paid through the Permanent Improvement Fund from property taxes collected by the County Auditor.

DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

NOTE 14 - LONG-TERM OBLIGATIONS (continued)

Annual debt service requirements to maturity for the general obligation bonds are as follows:

Fiscal Year Ended June 30,	Principal	Interest	Total
2013	\$ 7,610,000	\$ 9,601,020	\$ 17,211,020
2014	8,010,000	9,216,797	17,226,797
2015	8,380,000	8,813,906	17,193,906
2016	8,990,000	8,429,031	17,419,031
2017	9,320,000	8,023,108	17,343,108
2018-2022	53,450,000	32,680,372	86,130,372
2023-2027	49,050,000	19,861,754	68,911,754
2028-2032	56,995,000	7,402,375	64,397,375
Total	<u>\$ 201,805,000</u>	<u>\$ 104,028,363</u>	<u>\$ 305,833,363</u>

Swaptions

On October 13, 2009, the School District entered into two separate swaption agreements with the Bank of New York, Mellon (the Bank) tied to the outstanding 2003 Series A and Series D Bonds. The Bank purchased options to execute the swaptions and create swaps beginning in April 2013 and periodically thereafter until the option periods expire. At the time of execution, the School District will begin paying the Bank fixed payments over the life of the existing bonds and receive variable interest payments equal to 100 percent of LIBOR based on the existing bonds amortization schedules. The School District will hedge the LIBOR variable rate payment by issuing bond anticipation notes to refund its Series 2003 A and 2003 D General Obligation Bonds. The future Refunding Notes are contemplated by the School District Authorizing Resolutions adopted by the Board of Education on April 15, 2008; and amended on January 6, 2009, and October 6, 2009.

The Bank paid the School District \$6,655,000 on the 2003 A issue and \$3,030,000 on the 2003 D issue for the Options. Proceeds from the swaptions along with related fees were recorded in the School District's Permanent Improvement Fund, a nonmajor governmental fund, to be used for various capital projects.

The swaptions were both priced "At-The-Market" on October 13, 2009 (the "Trade Date"). An At-The-Money option is one in which the forward rate of the underlying swap is the strike rate of the options. As each option was set at the forward rate, the options had no intrinsic value based on a rate that was higher than the current market at the time of pricing. The full amount received by the School District represents the pure option premium of the underlying swaps at their respective forward rates.

DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

NOTE 14 - LONG-TERM OBLIGATIONS (continued)

The Notes related to the 2003 A and 2003 D Issues have not been issued to refund up to \$93,455,000 of the 2003 A issue and \$94,505,000 of the 2003 D issue. The Bank has the option to execute the swaptions starting 45 calendar days prior to the 15th day of each April and October, beginning on April 15, 2013 and ending on October 15, 2018 for the 2003 A Issue and 45 days prior to the 15th day of each April and October beginning April 15, 2013 and ending October 15, 2014 for the 2003 D issue. The purpose of the interest rate swap transaction with the Bank would be to hedge the exposure of the School District against interest rate fluctuations arising from the variable rates borne by those Bond Anticipation Notes. Under the swap agreement, the School District would be the fixed rate payer, paying 4.675 % on the 2003 A Refunding Notes and 4.495 % on the 2003 (D) issue. The counterparty, the Bank of New York, Mellon, would be the floating rate payer, paying the actual variable rate borne by the notes. The floating rates would be determined in accordance with the 12 month LIBOR Index.

In the event the options are exercised, the School District will issue the notes as originally contemplated by the aforementioned Note Resolutions and the fixed rate of the swap will be the respective strike rate of the option plus the rate paid to the purchasers of the Notes less the floating index payment of 12 month LIBOR. Both the Note rate and the LIBOR Index are known and fixed for a term of one year at the beginning of each annual Note roll date (both adjusted for short periods at the beginning and end of the swap). Additionally, the notional amount of the swaps is equal to the par amount of the Refunding Notes and both are set to mature at the expected end date of the last Note Renewal.

The fair value of the swaptions at June 30, 2012 were \$23,641,786 for series 2003 A and \$12,190,850 for series 2003 D. Changes in fair value during the reporting period were \$15,318,207 for series 2003 A and \$7,200,948 for series 2003 D. Fair values and changes in fair values were based on the original price paid by the Bank on the Trade Date and the closing curves for the interest rate swaps and volatilities as provided by Bloomberg for June 30, 2012. Changes in fair value were reported on the statement of net assets as an increase in Long Term Liability Due in More Than One Year (Embedded Derivative) and on the Statement of Activities as a decrease in interest revenue.

The sale of the options proceeds, which approximate fair value, were recorded on the statement of net assets as a Long Term Liability Due in More Than One Year (Embedded Derivative) and are adjusted for increased and decreases in fair value.

Objective: The School District entered into the swap (swaptions) in order to maximize the savings associated with the aforementioned refunding of bonds and to reduce the School Districts risk exposure. The actual overall savings to be realized by the School District will depend upon the net payments received under the swap agreements.

Terms: In October, 2009, the School District sold options to the Bank and the Bank has agreed to purchase the aforementioned refunding notes if the options are exercised by the School District within the previously stated exercise dates on a declining notional amount equal to the outstanding principal amounts of the 2003A and 2003D bond issues. Under the swap agreements, the School District will be the fixed rate payer, paying the fixed rates described above, and the Bank will be the floating rate payer, paying interest on the outstanding notional amounts on the outstanding notional amounts described above at a rate equal to the 12 month Libor Index. If the options for the 2003A and 2003D issues are exercised, the stated termination dates under the swap agreements with the Bank would be September 1, 2031 for 2003A and September 1, 2022 for 2003D.

DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

NOTE 14 - LONG-TERM OBLIGATIONS (continued)

Basis Risk: The School District is exposed to basis risk associated with this transaction. The School District pays or would pay fixed rates as agreed upon between the School District and the Bank, which rates approximate but do not exactly equal (the swap fixed rates are lower than the original bonds outstanding after June 2013 for both trades and this is an important element of the value of the transaction to the District in the future – 4.675% for the Series As and 4.495% for the Series Ds) the fixed rates the School District is paying on the existing bonded debt for the issues. The Bank will be paying the 12 month LIBOR rate, however, it simultaneously has agreed to purchase the notes: in effect the Bank would be paying itself and would receive the fixed rate inherent in the note purchase agreements.

Termination Risk: The swap agreements may be terminated prior to their stated termination date under certain circumstances. Upon termination, a payment may be owed by the School District to the Bank, or by the Bank to the School District, depending upon the prevailing economic circumstances at the time of the termination.

Certificates of Participation

During fiscal year 2004, the School District issued \$16.36 million of certificates of participation to finance the purchase of an administrative office building and to provide financing for the acquisition of additional office space. These certificates mature on December 31, 2028, and have interest rates ranging from 2.0 percent to 6.0 percent. The certificates of participation were refunded in 2012.

During fiscal year 2012, the School District issued \$14,735,000 in Refunded Certificates of Participation to refund \$14,415,000 of the 2004 certificates of participation. The certificates of participation were issued for a 17 year period with final maturity on December 1, 2029. The net proceeds of \$15,130,769 were deposited in an irrevocable trust with an escrow agent to provide funds for the future debt service payments on the refunded certificates of participation. As a result, the 2004 certificates of participation are considered defeased and the liability has been removed from the statement of net assets. The refunding resulted in a difference of \$737,050 between the net carrying amount of the old debt and the reacquisition price. This difference, reported in the accompanying financial statements as a decrease to the bonds payable, is being amortized to interest expense over the life of the bonds using the straight-line method. The unamortized difference at June 30, 2012, was \$729,824. Total debt service payments decreased by \$1,653,264 as a result of the refunding. The School District also incurred an economic gain (difference between the present values of the old and new debt service payments) of \$1,454,574.

At June 30, 2012, the \$14,400,000 of defeased certificates of participation remained outstanding. Annual debt service requirements to maturity for the certificate of participation are as follows:

**DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

NOTE 14 - LONG-TERM OBLIGATIONS (continued)

Fiscal Year Ended June 30,	Principal	Interest	Total
2013	\$ -	\$ 606,124	\$ 606,124
2014	475,000	564,975	1,039,975
2015	540,000	549,425	1,089,425
2016	585,000	532,775	1,117,775
2017	630,000	520,625	1,150,625
2018-2022	3,955,000	2,247,850	6,202,850
2023-2027	5,670,000	1,279,400	6,949,400
2028-2029	2,880,000	117,000	2,997,000
Total	<u>\$ 14,735,000</u>	<u>\$ 6,418,174</u>	<u>\$ 21,153,174</u>

Qualified Zone Academy Bond

In August 2000, the School District was authorized to issue \$10 million in Quality Zone Academy Bonds (QZAB), in accordance with Section 226 of the Taxpayer Relief Act of 1997 (Public Law 105-34), for use in the renovations of the Stivers Middle School and the creation of an Arts program in Dayton. On December 30, 2002 the School District issued the \$10 million QZAB that matures on December 30, 2016. The entire principal balance of \$10 million is due at maturity and the bonds do not bear interest. To satisfy escrow requirements of the program, the School District placed \$5.1 million, which has a current market value of \$9.7 million, in an escrow account with a local bank. This amount is included as Cash and Cash Equivalents with Fiscal Agents on the statement of net assets, as well as the Classroom Facilities Capital Projects Fund.

Long-Term Tax Anticipation Notes

On June 9, 2004 the School District issued \$3.5 million of long-term tax anticipation notes to provide financing for various capital improvements throughout the School District. These notes, which mature on December 1, 2014, were issued in anticipation of the collection of half of the proceeds of the one mill permanent improvement levy approved by electors of the School District on November 5, 2002. These notes carry an annual interest rate of 3.66 percent. The School District has pledged future tax revenues to repay these notes. The total principal and interest remaining to be paid at June 30, 2012 was \$1,107,645. Principal and interest paid during the fiscal year and total tax revenues for the Permanent Improvement Fund were \$394,835 and \$580,343, respectively.

Annual debt service requirements to maturity for the long-term tax anticipation notes are as follows:

Fiscal Year Ended June 30,	Principal	Interest	Total
2013	\$ 350,000	\$ 32,025	\$ 382,025
2014	350,000	19,215	369,215
2015	350,000	6,405	356,405
Total	<u>\$ 1,050,000</u>	<u>\$ 57,645</u>	<u>\$ 1,107,645</u>

DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

NOTE 14 - LONG-TERM OBLIGATIONS (continued)

Changes in Long-Term Liabilities

Long- term liability activity for the year ended June 30, 2012, was as follows:

	Balance 6/30/2011	Increase	Decrease	Balance 6/30/2012	Due within One Year
<u>General Obligation Bonds:</u>					
2003-A School Construction:					
2.0-5.0 percent	\$ 93,465,000	\$ -	\$ 5,000	\$ 93,460,000	\$ 5,000
2003-B School Construction:					
2.0-4.23 percent	4,285,000	-	270,000	4,015,000	275,000
2003-D School Construction:					
2.0-5.0 percent	108,375,000	-	6,540,000	101,835,000	7,330,000
2012 Equipment Acquisition:					
2.0-3.0 percent	-	2,495,000	-	2,495,000	-
Add: Unamortized Bond Premium	<u>8,544,313</u>	<u>64,898</u>	<u>527,074</u>	<u>8,082,137</u>	<u>-</u>
Total General Obligation Bonds	214,669,313	2,559,898	7,342,074	209,887,137	7,610,000
QZAB Bonds - 0.0 percent	10,000,000	-	-	10,000,000	-
Embedded Derivative (Options)	13,313,481	22,519,155	-	35,832,636	-
Certificates of Participation	14,760,000	-	14,760,000	-	-
Refunded Certificates of Participation	-	14,735,000	-	14,735,000	-
Unamortized Premium	-	628,370	6,160	622,210	-
Gain on Refunding	-	(737,050)	(7,226)	(729,824)	-
Long-Term Tax Anticipation Notes	1,400,000	-	350,000	1,050,000	350,000
Capital Lease Obligations	2,072,257	-	2,072,257	-	-
Compensated Absences Payable	5,081,741	608,967	1,226,496	4,464,212	771,627
Claims Payable	<u>5,004,101</u>	<u>30,042,069</u>	<u>29,550,188</u>	<u>5,495,982</u>	<u>3,182,706</u>
Long-Term Obligations	<u>\$ 266,300,893</u>	<u>\$ 70,356,409</u>	<u>\$ 55,299,949</u>	<u>\$ 281,357,353</u>	<u>\$ 11,914,333</u>

Compensated absences will be paid from the General Fund, Auxiliary Services Fund, Management Information System Fund, Public School Preschool Fund, Title VI-B Fund, Vocational Education Fund, Head Start Fund, Title I Fund, Title VI-R Classroom Size Reduction Fund, Miscellaneous State Grants Fund, Food Service Fund, Welcome Stadium Fund, Stabilization Fund, Building Fund and Retrospective Workers' Compensation Fund. Capital leases obligations were paid from the General Fund and Permanent Improvement Fund.

DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

NOTE 14 - LONG-TERM OBLIGATIONS (continued)

Due to the magnitude of the school facilities construction project, the debt issued by the School District exceeded the overall debt margin as permitted by Ohio statute. However, the School District was declared a “special needs” school district by the Superintendent of Public Instruction as defined by Section 133.06 of the Ohio Revised Code. Under this special exemption, the School District’s capacity for additional debt is approximately \$32.3 million.

NOTE 15 - CAPITAL LEASES - LESSEE DISCLOSURE

In prior fiscal years, the School District entered into various lease agreements to acquire capital assets. These lease agreements meet the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13, "Accounting for Leases," which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. Capital lease payments made from governmental funds have been reclassified and are reflected as debt service expenditures in the basic financial statements for the governmental funds. These expenditures are reported as program/function expenditures on a budgetary basis.

Capital assets acquired by lease have been capitalized in the statement of net assets for governmental activities in the amount of \$7,985,851 (\$6,260,559 of vehicles and \$1,725,292 of equipment), which is equal to the present value of the minimum lease payments at the time of acquisition. In fiscal year 2012, the School District paid off the lease early with principal payments of \$2,072,257.

NOTE 16 - INTERFUND ACTIVITY

As of June 30, 2012, principal components of interfund balances and transactions were as follows:

		Due from Other Funds		
		General Fund	Other Governmental Funds	Total
Due to Other Funds	General	\$ -	\$45	\$45
	Other			
	Governmental Funds	<u>5,801,306</u>	-	<u>5,801,306</u>
	Total	<u><u>\$5,801,306</u></u>	<u><u>\$ 45</u></u>	<u><u>\$5,801,351</u></u>

The majority of due to other funds represents cash advances to grant funds for cash flow purposes by the General Fund. The remainder of the due to and due from other funds represents corrections in accounting entries applicable to fiscal year 2012 but not posted until after year-end or for reimbursement for expenditures of one fund spent on behalf of another fund.

DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

NOTE 16 - INTERFUND ACTIVITY (continued)

		Transfers From			
		General Fund	Building Fund	Classroom Facilities Fund	Total
Transfers To	Building Fund	\$ -	\$ -	\$ 12,361,179	\$ 12,361,179
	Other				
	Governmental Funds	2,151,634	1,666,850	-	3,818,484
	Total	\$ 2,151,634	\$ 1,666,850	\$ 12,361,179	\$ 16,179,663

The transfers represent permanent transfers of funds to different programs and approved transfers from the Ohio Schools Facilities Commission for the allocation of interest earned on the building projects.

NOTE 17 - SET-ASIDE CALCULATIONS

The School District is required by State statute to annually set aside in the General Fund an amount based on a statutory formula for the acquisition and construction of capital improvements. Amounts not spent by fiscal year-end or offset by similarly restricted resources received during the fiscal year must be held in cash at fiscal year-end and carried forward to be used for the same purposes in future fiscal years.

The following cash basis information describes the change in the fiscal year-end set-aside amounts for capital acquisitions. Disclosure of this information is required by State statute.

	Capital Acquisitions
Carry-over from Prior Fiscal Year	\$0
Current Fiscal Year Set-aside Requirement	2,527,451
Qualifying Disbursements	(459,559)
Current Fiscal Year Revenue Off-Sets	(11,290,033)
Subtotal	(\$9,222,141)
Amount Carried Forward to Subsequent Fiscal Year	\$0

Amounts of offsets and qualifying expenditures presented in the table for the capital acquisition set-asides were limited to those necessary to reduce the year-end balance to zero. Although the School District may have had additional offsets and qualifying expenditures for capital acquisitions, these amounts may not be used to reduce the set-aside requirements of future fiscal years and therefore is not presented as being carried forward to the next fiscal year. In previous fiscal years, the School District was required to have a textbook requirement. Effective July 1, 2011, House Bill 30 of the 129th General Assembly repealed the textbook requirement.

DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

NOTE 18 - CONTINGENCIES

A. Grants

The Auditor of State is currently performing a statewide review of supporting documentation for student attendance data reported to the Ohio Department of Education. The results of this review are still pending and will be reported separately to the Ohio Department of Education at a later date.

The School District received financial assistance from federal and State agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies.

Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. This also encompasses the Auditor of State's ongoing review of student attendance data. However, the effect of any such disallowed claims on the overall financial position of the School District at June 30, 2012, if applicable, cannot be determined at this time.

B. Litigation

The School District is party to legal proceedings. The School District is of the opinion that the ultimate disposition of claims will not have a material effect, if any, on the financial condition of the School District.

NOTE 19 – CONSTRUCTION COMMITMENTS

At June 30, 2012 the School District had open purchase orders associated with the school facilities construction project totaling \$8.5 million; \$6.7 million in the Classroom Facilities capital project fund and \$1.8 million in the Building capital project fund.

DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

NOTE 20 – FUND BALANCES

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the School District is bound to observe constraints imposed upon the use of the resources in the governmental funds. The constraints placed on fund balance for the major governmental funds and other governmental funds are presented below:

Fund Balances	General	Bond Retirement	Building	Classroom Facilities	Other Governmental	Total
<i>Nonspendable</i>						
Prepaid Items	\$389,333	\$0	\$31,466	\$24,954	\$0	\$445,753
Inventory	731,449	0	0	0	0	731,449
<i>Total Nonspendable</i>	1,120,782	0	31,466	24,954	0	1,177,202
<i>Restricted for</i>						
Debt Service	0	3,677,056	0	0	0	3,677,056
Building Project	0	0	18,679,070	0	0	18,679,070
Classroom Facilities Programs	0	0	0	22,234,072	8,667,011	30,901,083
Other Local Grants	0	0	0	0	534,324	534,324
Computer Net Work Programs	0	0	0	0	13,557	13,557
Education Foundation	0	0	0	0	470,604	470,604
Athletics	0	0	0	0	130,639	130,639
Auxiliary Services	0	0	0	0	250,371	250,371
Preschool Grant	0	0	0	0	2,751	2,751
Entry Year Program	0	0	0	0	1,000	1,000
Data Communication	0	0	0	0	4,907	4,907
Other State Grants	0	0	0	0	18,626	18,626
Race to the Top	0	0	0	0	459,419	459,419
Title VI-B Program	0	0	0	0	321,079	321,079
Drop Prevention Grants	0	0	0	0	1,096	1,096
Title VI Program	0	0	0	0	5,222	5,222
Classroom Size Reduction	0	0	0	0	49,012	49,012
Special Trust	0	0	0	0	81,126	81,126
Food Service Operations	0	0	0	0	372,998	372,998
Welcome Stadium	0	0	0	0	165,512	165,512
Permanent Improvements	0	0	0	0	5,402,010	5,402,010
<i>Total Restricted</i>	0	3,677,056	18,679,070	22,234,072	16,951,264	61,541,462
<i>Assigned to</i>						
Future Appropriations	2,682,000	0	0	0	0	2,682,000
Unpaid Obligations	109,751	0	0	0	0	109,751
<i>Total Assigned</i>	2,791,751	0	0	0	0	2,791,751
<i>Unassigned (Deficit)</i>	14,023,284	0	0	0	(2,157,329)	11,865,955
<i>Total Fund Balances</i>	\$17,935,817	\$3,677,056	\$18,710,536	\$22,259,026	\$14,793,935	\$77,376,370

Major Governmental Funds

MAJOR GOVERNMENTAL FUNDS

The focus of the fund financial statements presented in the basic financial statements is on the School District's most significant funds (major funds). Therefore these fund financial statements present the major funds separate from the other governmental funds of the School District. As required by Generally Accepted Accounting Principles for state and local governments, budgetary comparison statements in the basic financial statements are limited to the General Fund and any major special revenue funds. The School District has no major special revenue funds.

General Fund

The General Fund is used to account for and reports all financial resources, except those required to be accounted for in another fund. The General Fund is available to the School District for any purpose provided it is expended or transferred according to the general laws of the State of Ohio.

Since the Statement of Revenues, Expenditures and Changes in Fund Balance presented in the basic financial statements for the General Fund presents budgetary comparisons at a greater level of detail than the legal level of control established by the Board of Education, no additional schedules are necessary to demonstrate budgetary compliance.

Bond Retirement Fund

The Bond Retirement Fund accounts for and reports the accumulation of restricted local property taxes received and the payment of general long-term obligations, specifically the general obligation bonds and notes issued in conjunction with the School District's school facilities projects.

Building Fund

The Building Fund accounts for and reports financial resources, including proceeds from the sale of debt obligations, other local funds, and construction costs associated with the local initiatives involved in the School District's school facilities projects.

Classroom Facilities Fund

The Classroom Facilities Fund accounts for and reports restricted financial resources, including intergovernmental capital grants, proceeds from the sale of debt obligations and interest received, and construction costs associated with the basic requirements of the master plan associated with the School District's school facilities projects.

DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BOND RETIREMENT FUND - BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Taxes	\$ 10,585,073	\$ 11,290,033	\$ 11,290,033	\$ -
Intergovernmental	2,893,848	3,086,577	3,108,977	22,400
Interest	21,079	22,482	82	(22,400)
Total Revenues	<u>13,500,000</u>	<u>14,399,092</u>	<u>14,399,092</u>	<u>-</u>
Expenditures:				
Debt Service:				
Principal Retirement	6,815,000	6,815,000	6,815,000	-
Interest and Fiscal Charges	11,220,297	10,263,580	10,263,580	-
Total Expenditures	<u>18,035,297</u>	<u>17,078,580</u>	<u>17,078,580</u>	<u>-</u>
Net Change in Fund Balance	(4,535,297)	(2,679,488)	(2,679,488)	-
Fund Balance at Beginning of Year	5,674,435	5,634,053	5,634,053	-
Prior Year Encumbrances Appropriated	35,297	35,297	35,297	-
Fund Balance at End of Year	<u>\$ 1,174,435</u>	<u>\$ 2,989,862</u>	<u>\$ 2,989,862</u>	<u>\$ -</u>

DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUILDING FUND - BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Interest	\$ -	\$ 41,528	\$ 2,569	\$ (38,959)
Miscellaneous	-	1,709,393	1,714,138	4,745
Total Revenues	-	1,750,921	1,716,707	(34,214)
Expenditures:				
Support Services:				
Instructional Staff	376,977	376,922	164,580	212,342
Fiscal	8,023	8,022	3,503	4,519
Business	52,911	52,904	23,100	29,804
Operationg and Maintenance of Plant	285,229	285,188	124,525	160,663
Central	1,964,893	1,964,610	857,831	1,106,779
Capital Outlay	10,853,536	10,851,971	4,738,424	6,113,547
Total Expenditures	13,541,569	13,539,617	5,911,963	7,627,654
Excess of Revenues Under Expenditures	(13,541,569)	(11,788,696)	(4,195,256)	7,593,440
Other Financing Sources:				
Transfers-In	-	12,326,964	12,361,179	34,215
Net Change in Fund Balance	(13,541,569)	538,268	8,165,923	7,627,655
Fund Balance at Beginning of Year	10,920,388	8,162,634	8,162,634	-
Prior Year Encumbrances Appropriated	2,641,570	2,639,617	2,639,617	-
Fund Balance at End of Year	\$ 20,389	\$ 11,340,519	\$ 18,968,174	\$ 7,627,655

DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
CLASSROOM FACILITIES FUND - BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 2,892,188	\$ 3,032,550	\$ 3,032,550	\$ -
Interest	1,630,262	88,406	88,406	-
Miscellaneous	5,890	6,176	6,176	-
Total Revenues	4,528,340	3,127,132	3,127,132	-
Expenditures:				
Support Services:				
Fiscal	93,011	61,720	57,898	3,822
Capital Outlay	52,107,379	34,577,142	32,436,007	2,141,135
Total Expenditures	52,200,390	34,638,862	32,493,905	2,144,957
Excess of Revenues Under Expenditures	(47,672,050)	(31,511,730)	(29,366,773)	2,144,957
Other Financing Uses:				
Transfers-Out	(19,857,828)	(13,177,153)	(12,361,179)	815,974
Net Change in Fund Balance	(67,529,878)	(44,688,883)	(41,727,952)	2,960,931
Fund Balance at Beginning of Year	48,497,185	30,344,899	30,344,899	-
Prior Year Encumbrances Appropriated	18,558,218	18,439,444	18,439,444	-
Fund Balance (Deficit) at End of Year	\$ (474,475)	\$ 4,095,460	\$ 7,056,391	\$ 2,960,931

Nonmajor Governmental Funds

NONMAJOR SPECIAL REVENUE FUNDS

The Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted to expenditure for specified purposes other than debt service or capital projects.

Other Grants

A fund used to account for and reports the proceeds of specific revenue sources, except for state and federal grants that are legally restricted to expenditures for specified purposes.

Computer Networks

A fund used to account for and reports the proceeds of state revenue provided for the operation of the School District's computer network and operations.

Education Foundation

A fund provided to account for and reports General Fund transfers and the proceeds of any bequest or gift given to the School District without condition or limitations. Funds are to be used for operating or capital costs for programs designed to enhance or promote education within the District. Budgetary information for the Education Foundation special revenue fund is not reported because it is not included in the entity for which the "appropriate budget" is adopted and does not maintain separate budgetary records.

Maintenance of Classroom Facilities

A fund used to account for and reports proceeds of a one-mill property tax levy to provide for the maintenance of classroom facilities.

District Managed Student Activities

To account for and report local funds generated to assist student activities, which are managed by District personnel. This fund would usually include athletic programs but could also include the band, cheerleaders, flag corps, and other similar types of activities.

Auxiliary Services

A fund used to account for and report monies which provide services and materials to pupils attending non-public schools within the School District.

Management Information Systems

To account for and report restricted state funds that are provided to assist the District in implementing a staff, student and financial information system as mandated by the Omnibus Education Reform Act of 1989.

Public School Preschool

A fund to assist school districts in paying the cost of preschool programs for three and four-year olds.

Entry Year Program

A fund to account for and report State grants aimed at providing restricted funding to the School District for structured training of entry level teachers.

Data Communications

A fund used to account for and report restricted monies for the purpose of accessing the Ohio Education Computer Network.

(continued)

Nonmajor Governmental Funds

(Continued)

NONMAJOR SPECIAL REVENUE FUNDS (Continued)

Vocational Education Enhancement

To account for and report restricted vocational education enhancements that expand the number of students enrolled in tech programs, and also enables students to develop career plans, to identify initial educational and career goals, and to develop a career passport which provides a clear understanding of the student's knowledge, skills and credentials to present to future employers, universities, and other training institutes. This fund is also used to replace or update equipment essential for the instruction of students in job skills taught as part of a vocational program or programs approved for such instruction by the State Board of Education.

Alternative Schools

A fund used to account for and report restricted alternative education programs for existing and new at-risk and delinquent youths.

Miscellaneous State Grants

To account for and report restricted revenues received from state agencies which are not classified elsewhere.

Education Jobs

A fund used to account for and report restricted federal monies which provides compensation and benefits and other expenses, such as support services, necessary to retain existing employees, to recall or rehire former employees, and to hire new employees, in order to provide early childhood, elementary or secondary educational related services.

Race to the Top

This fund accounts for and reports federal funds restricted for the development of assessments to measure student achievement against standards designed to ensure that all students gain the knowledge and skills needed to succeed in college and the workplace.

Title VI-B

To account for and report restricted monies received under a federal grant to assist schools in the identification of handicapped children, development of procedural safeguards, implementation of least restrictive alternative service patterns, and provision of full education opportunities to handicapped children at the elementary and secondary levels.

Vocational Education

A fund used to account for and report restricted revenues provided to boards of education, teacher training instructions, and the state administering agency for cooperating in development of vocational education programs in the following categories: secondary, post-secondary adult, disadvantaged and handicapped persons, exemplary programs, cooperative education, construction of area vocational schools, ancillary services, research, advisory committees, and work-study projects.

Head Start

A fund used to account for and report restricted federal monies provided to income eligible families for preschool.

State Fiscal Stabilization

This fund accounts for and reports the School District's allocation from the State Fiscal Stabilization Fund. These funds are restricted to help stabilize State and local budgets in order to minimize and avoid reductions in education and other essential services.

Nonmajor Governmental Funds

(Continued)

NONMAJOR SPECIAL REVENUE FUNDS (Continued)

Title II-D Technology

This fund accounts for and reports federal funds restricted to create technology-enabled learning environments in which students will meet or exceed the State academic content standards and develop 21st century skills.

Title I School Improvement Stimulus A

This fund accounts for and reports federal funds restricted to provide supplemental funding to economically disadvantaged districts and some of their eligible schools for improving educational outcomes for students who are filing or at risk of failing to meet State standards.

Title I School Improvement Stimulus G

This fund accounts for and reports federal funds restricted to provide supplemental funding to economically disadvantaged districts and some of their eligible schools for improving educational outcomes for students who are filing or at risk of failing to meet State standards.

Dropout Prevention and Intervention

A fund used to account for and report federal monies restricted for elementary and secondary school programs designed to assist students to meet grade promotion and graduation standards.

Title I

To account for and report restricted monies received under a federal grant to assist schools in meeting the special needs of educationally deprived children.

Title VI

To consolidate various programs into a single authorization of restricted grants to states for the same purposes set forth in the provisions of law as specified in the authorization section, to be used in accordance with the educational needs and priorities of the state and local agencies.

Drug Free Schools Program

To account for and report restricted monies received under a federal program to support the implementation of programs for drug abuse education and prevention.

EHA Preschool Grants for the Handicapped

A fund used to account for and report federal grant dollars restricted to improve and expand the services for handicapped children ages three to five years.

Title VI-R Classroom Size Reduction

A fund used to account for and report restricted monies to hire additional classroom teachers in grades one through three, so that the number of students per teachers will be reduced.

Miscellaneous Federal Grants

To account for and report restricted monies received under federal grants which are not classified elsewhere.

Special Trust

To account for and report restricted monies assets held by the School District, which were donated by individuals, private organizations, other governments and/or other funds, to be used for School District related activities.

Nonmajor Governmental Funds

(Continued)

NONMAJOR SPECIAL REVENUE FUNDS (Continued)

Food Service

To account for and report the financial transactions related to the restricted food service operations of the School District.

Welcome Stadium

To account for and report the restricted financial transactions associated with the rental and operating costs for the School District owned stadium.

Uniform School Supplies

To account for and report the purchase and sale of school supplies for the use in the School District. This fund is included with the general fund for GAAP reporting as it does not have restricted or committed revenue source.

Other Grant Rotary

A fund used to account for and report a grant that Wright State University receives from the Department of Education. A portion of the grant is received by the District, from Wright State University, for the Reading Recovery Program. This fund is included with the general fund for GAAP reporting as it does not have restricted or committed revenue source.

Public School Support

To account for specific local revenue sources (other than taxes) generated by individual school buildings (i.e. sale of pictures, profits from vending machines, etc.). Expenditures include field trips, materials, equipment and other items to supplement co-curricular and extra-curricular programs. This fund is included with the general fund for GAAP reporting as it does not have restricted or committed revenue source.

NONMAJOR CAPITAL PROJECTS FUND

The Capital Projects Funds are used to account for and report financial resources that are restricted for the financing and acquisition or construction of major capital facilities, such as new school buildings and additions to existing buildings, or for major renovation projects, other than those financed by proprietary funds.

Permanent Improvement

To account for and report restricted resources, including a local property tax levy, to be used for the acquisition or maintenance of general capital assets.

DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2012

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
<u>Assets:</u>			
Equity in Pooled Cash and Cash Equivalents	\$ 15,140,682	\$ 6,058,738	\$ 21,199,420
Cash and Cash Equivalents with Fiscal Agent	670,604	-	670,604
Receivables:			
Property and Other Taxes - Current	588,776	588,777	1,177,553
Property and Other Taxes - Delinquent	311,461	311,461	622,922
Accounts	16,097	17,181	33,278
Intergovernmental	12,520,870	-	12,520,870
Due from Other Funds	45	-	45
	<u>\$ 29,248,535</u>	<u>\$ 6,976,157</u>	<u>\$ 36,224,692</u>
Total Assets			
<u>Liabilities and Fund Balances:</u>			
Liabilities:			
Accounts Payable	\$ 1,970,657	\$ 707,576	\$ 2,678,233
Accrued Wages and Benefits Payable	982,731	-	982,731
Intergovernmental Payable	744,477	-	744,477
Due to Other Funds	5,801,306	-	5,801,306
Deferred Revenue	10,256,223	866,571	11,122,794
Matured Compensated Absences Payable	101,216	-	101,216
	<u>19,856,610</u>	<u>1,574,147</u>	<u>21,430,757</u>
Total Liabilities			
Fund Balances:			
Restricted	11,549,254	5,402,010	16,951,264
Unassigned	(2,157,329)	-	(2,157,329)
	<u>9,391,925</u>	<u>5,402,010</u>	<u>14,793,935</u>
Total Fund Balances			
Total Liabilities and Fund Balance	<u>\$ 29,248,535</u>	<u>\$ 6,976,157</u>	<u>\$ 36,224,692</u>

DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2012

	Other Grants	Computer Networks	Education Foundation	Maintenance of Classroom Facilities
<u>Assets:</u>				
Equity in Pooled Cash and Cash Equivalents	\$ 541,531	\$ 16,859	\$ -	\$ 8,689,941
Cash and Cash Equivalents with Fiscal Agent		-	670,604	-
<u>Receivables:</u>				
Property and Other Taxes - Current	-	-	-	588,776
Property and Other Taxes - Delinquent	-	-	-	311,461
Accounts	3,005	-	-	-
Intergovernmental	-	-	-	-
Due from Other Funds	-	-	-	-
Total Assets	<u>\$ 544,536</u>	<u>\$ 16,859</u>	<u>\$ 670,604</u>	<u>\$ 9,590,178</u>
<u>Liabilities and Fund Balances:</u>				
<u>Liabilities:</u>				
Accounts Payable	\$ 10,212	\$ 3,302	\$ -	\$ 56,597
Accrued Wages and Benefits Payable	-	-	-	-
Intergovernmental Payable	-	-	-	-
Due to Other Funds	-	-	200,000	-
Deferred Revenue	-	-	-	866,570
Matured Compensated Absences Payable	-	-	-	-
Total Liabilities	<u>10,212</u>	<u>3,302</u>	<u>200,000</u>	<u>923,167</u>
<u>Fund Balances:</u>				
Restricted	534,324	13,557	470,604	8,667,011
Unassigned (Deficit)	-	-	-	-
Total Fund Balances (Deficit)	<u>534,324</u>	<u>13,557</u>	<u>470,604</u>	<u>8,667,011</u>
Total Liabilities and Fund Balances	<u>\$ 544,536</u>	<u>\$ 16,859</u>	<u>\$ 670,604</u>	<u>\$ 9,590,178</u>

District Managed Student Activities	Auxiliary Services	Public School Preschool	Entry Year Program	Data Communications	Vocational Education Enhancement
\$ 132,214	\$ 505,440	\$ 27,343	\$ 1,000	\$ 2,814	\$ 5,000
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	17,775	-	2,093	5,000
-	-	-	-	-	-
<u>\$ 132,214</u>	<u>\$ 505,440</u>	<u>\$ 45,118</u>	<u>\$ 1,000</u>	<u>\$ 4,907</u>	<u>\$ 10,000</u>
\$ 1,575	\$ 100,220	\$ -	\$ -	\$ -	\$ 3,825
-	36,254	-	-	-	-
-	6,908	912	-	-	-
-	100,000	23,680	-	-	5,000
-	-	17,775	-	-	5,000
-	11,687	-	-	-	-
<u>1,575</u>	<u>255,069</u>	<u>42,367</u>	<u>-</u>	<u>-</u>	<u>13,825</u>
130,639	250,371	2,751	1,000	4,907	-
-	-	-	-	-	(3,825)
<u>130,639</u>	<u>250,371</u>	<u>2,751</u>	<u>1,000</u>	<u>4,907</u>	<u>(3,825)</u>
<u>\$ 132,214</u>	<u>\$ 505,440</u>	<u>\$ 45,118</u>	<u>\$ 1,000</u>	<u>\$ 4,907</u>	<u>\$ 10,000</u>

(Continued)

DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2012
 (Continued)

	Alternative Schools	Miscellaneous State Grants	Race to the Top	Title VI-B
<u>Assets:</u>				
Equity in Pooled Cash and Cash Equivalents	\$ 32,858	\$ 18,626	\$ 405,373	\$ 318,049
Cash and Cash Equivalents with Fiscal Agent	-	-	-	-
<u>Receivables:</u>				
Property and Other Taxes - Current	-	-	-	-
Property and Other Taxes - Delinquent	-	-	-	-
Accounts	-	-	-	-
Intergovernmental	43,601	-	1,479,107	1,424,529
Due from Other Funds	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total Assets	<u>\$ 76,459</u>	<u>\$ 18,626</u>	<u>\$ 1,884,480</u>	<u>\$ 1,742,578</u>
<u>Liabilities and Fund Balances:</u>				
<u>Liabilities:</u>				
Accounts Payable	\$ 19,000	\$ -	\$ 29,271	\$ 42,249
Accrued Wages and Benefits Payable	1,115	-	6,838	201,029
Intergovernmental Payable	2,399	-	21,111	126,897
Due to Other Funds	35,462	-	250,000	104,146
Deferred Revenue	43,601	-	1,117,841	933,316
Matured Compensated Absences Payable	-	-	-	13,862
	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities	<u>101,577</u>	<u>-</u>	<u>1,425,061</u>	<u>1,421,499</u>
<u>Fund Balances:</u>				
Restricted	-	18,626	459,419	321,079
Unassigned (Deficit)	<u>(25,118)</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<hr/>	<hr/>	<hr/>	<hr/>
Total Fund Balances (Deficit)	<u>(25,118)</u>	<u>18,626</u>	<u>459,419</u>	<u>321,079</u>
	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities and Fund Balances	<u>\$ 76,459</u>	<u>\$ 18,626</u>	<u>\$ 1,884,480</u>	<u>\$ 1,742,578</u>

Vocational Education	Head Start	Title II-D Technology	Title I School Improvement Stimulus A	Title I School Improvement Stimulus G	Dropout Prevention and Intervention
\$ 199,617	\$ -	\$ 92,989	\$ 66,175	\$ 905,413	\$ 38,548
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
195,743	-	89,080	722,475	2,199,614	61,788
-	-	-	-	-	-
<u>\$ 395,360</u>	<u>\$ -</u>	<u>\$ 182,069</u>	<u>\$ 788,650</u>	<u>\$ 3,117,054</u>	<u>\$ 100,590</u>
\$ 44,569	\$ -	\$ 32,351	\$ 51,700	\$ 590,347	\$ 9,846
2,925	-	-	-	61,060	795
4,575	1,647	-	-	58,157	4,320
252,073	-	92,096	656,000	1,859,894	37,150
109,922	-	89,080	132,650	1,484,426	47,383
-	-	-	-	-	-
<u>414,064</u>	<u>1,647</u>	<u>213,527</u>	<u>840,350</u>	<u>4,053,884</u>	<u>99,494</u>
-	-	-	-	-	1,096
<u>(18,704)</u>	<u>(1,647)</u>	<u>(31,458)</u>	<u>(51,700)</u>	<u>(936,830)</u>	<u>-</u>
<u>(18,704)</u>	<u>(1,647)</u>	<u>(31,458)</u>	<u>(51,700)</u>	<u>(936,830)</u>	<u>1,096</u>
<u>\$ 395,360</u>	<u>\$ -</u>	<u>\$ 182,069</u>	<u>\$ 788,650</u>	<u>\$ 3,117,054</u>	<u>\$ 100,590</u>

(Continued)

DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2012
 (Continued)

	Title I	Title VI	EHA Preschool Grants for the Handicapped	Title VI-R Classroom Size Reduction	Miscellaneous Federal Grants
<u>Assets:</u>					
Equity in Pooled Cash and Cash Equivalents	\$ 1,644,487	\$ 5,222	\$ 7,654	\$ 532,609	\$ 121,690
Cash and Cash Equivalents with Fiscal Agent	-	-	-	-	-
Receivables:					
Property and Other Taxes - Current	-	-	-	-	-
Property and Other Taxes - Delinquent	-	-	-	-	-
Accounts	811	-	-	-	-
Intergovernmental	3,285,157	-	18,961	2,820,550	71,592
Due from Other Funds	-	-	-	-	45
Total Assets	<u>\$ 4,930,455</u>	<u>\$ 5,222</u>	<u>\$ 26,615</u>	<u>\$ 3,353,159</u>	<u>\$ 193,327</u>
<u>Liabilities and Fund Balances:</u>					
Liabilities:					
Accounts Payable	\$ 562,487	\$ -	\$ -	\$ 319,309	\$ 36,099
Accrued Wages and Benefits Payable	556,422	-	2,827	81,616	1,673
Intergovernmental Payable	268,517	-	9,000	30,471	4,039
Due to Other Funds	1,492,356	-	12,981	538,724	141,744
Deferred Revenue	3,016,785	-	13,087	2,307,195	71,592
Matured Compensated Absences Payable	48,835	-	-	26,832	-
Total Liabilities	<u>5,945,402</u>	<u>-</u>	<u>37,895</u>	<u>3,304,147</u>	<u>255,147</u>
Fund Balances:					
Restricted	-	5,222	-	49,012	-
Unassigned (Deficit)	(1,014,947)	-	(11,280)	-	(61,820)
Total Fund Balances (Deficit)	<u>(1,014,947)</u>	<u>5,222</u>	<u>(11,280)</u>	<u>49,012</u>	<u>(61,820)</u>
Total Liabilities and Fund Balances	<u>\$ 4,930,455</u>	<u>\$ 5,222</u>	<u>\$ 26,615</u>	<u>\$ 3,353,159</u>	<u>\$ 193,327</u>

Special Trust	Food Service	Welcome Stadium	Total
\$ 81,126	\$ 574,731	\$ 173,373	15,140,682
-	-	-	670,604
-	-	-	588,776
-	-	-	311,461
-	-	-	16,097
-	83,805	-	12,520,870
-	-	-	45
<u>\$ 81,126</u>	<u>\$ 658,536</u>	<u>\$ 173,373</u>	<u>\$ 29,248,535</u>
\$ -	\$ 54,946	\$ 2,752	\$ 1,970,657
-	29,831	346	982,731
-	200,761	4,763	744,477
-	-	-	5,801,306
-	-	-	10,256,223
-	-	-	101,216
-	<u>285,538</u>	<u>7,861</u>	<u>19,856,610</u>
81,126	372,998	165,512	11,549,254
-	-	-	(2,157,329)
<u>81,126</u>	<u>372,998</u>	<u>165,512</u>	<u>9,391,925</u>
<u>\$ 81,126</u>	<u>\$ 658,536</u>	<u>\$ 173,373</u>	<u>\$ 29,248,535</u>

DAYTON



PUBLIC SCHOOLS

DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
Revenues:			
Taxes	\$ 580,343	\$ 580,343	\$ 1,160,686
Intergovernmental	46,072,567	310,213	46,382,780
Interest	7,472	-	7,472
Gifts and Donations	17,764	-	17,764
Customer Sales and Services	1,062,209	-	1,062,209
Extracurricular Activities	562,038	-	562,038
Miscellaneous	46,425	17,181	63,606
	<u>48,348,818</u>	<u>907,737</u>	<u>49,256,555</u>
Total Revenues			
Expenditures:			
Current:			
Instruction:			
Regular	6,608,483	355,151	6,963,634
Special	9,285,214	-	9,285,214
Vocational	413,350	-	413,350
Student Intervention Services	2,676,368	-	2,676,368
Support Services:			
Pupils	3,095,315	11,533	3,106,848
Instructional Staff	11,562,636	49,983	11,612,619
Administration	1,314,483	-	1,314,483
Fiscal	1,419,514	36,138	1,455,652
Operation and Maintenance of Plant	872,446	43,284	915,730
Pupil Transportation	544,652	2,538,655	3,083,307
Central	130,000	3,242,739	3,372,739
Non-Instructional Services	10,578,275	29,829	10,608,104
Extracurricular Activities	646,817	-	646,817
Capital Outlay	118,857	982,278	1,101,135
Debt Service:			
Principal Retirement	-	2,013,980	2,013,980
Interest and Fiscal Charges	-	47,715	47,715
Issuance Costs	-	59,898	59,898
	<u>49,266,410</u>	<u>9,411,183</u>	<u>58,677,593</u>
Total Expenditures			
Excess of Revenues Under Expenditures	<u>(917,592)</u>	<u>(8,503,446)</u>	<u>(9,421,038)</u>
Other Financing Sources:			
Proceeds from Sale of Bonds	-	2,495,000	2,495,000
Premium on Issuance of Bonds	-	64,898	64,898
Transfers-In	2,151,634	1,666,850	3,818,484
	<u>2,151,634</u>	<u>4,226,748</u>	<u>6,378,382</u>
Total Other Financing Sources			
Net Change in Fund Balance	1,234,042	(4,276,698)	(3,042,656)
Fund Balance at Beginning of Year	<u>8,157,883</u>	<u>9,678,708</u>	<u>17,836,591</u>
Fund Balance at End of Year	<u>\$ 9,391,925</u>	<u>\$ 5,402,010</u>	<u>\$ 14,793,935</u>

DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Other Grants	Computer Networks	Education Foundation	Maintenance of Classroom Facilities	District Managed Student Activities
Revenues:					
Taxes	\$ -	\$ -	\$ -	\$ 580,343	\$ -
Intergovernmental	-	54,000	-	572,128	-
Interest	-	-	-	-	-
Gifts and Donations	-	-	3,825	-	-
Customer Sales and Services	-	-	-	-	-
Extracurricular Activities	-	-	-	-	199,421
Miscellaneous	33,333	-	-	-	-
Total Revenues	<u>33,333</u>	<u>54,000</u>	<u>3,825</u>	<u>1,152,471</u>	<u>199,421</u>
Expenditures:					
Current:					
Instruction:					
Regular	20,046	-	-	-	-
Special	-	-	-	-	-
Vocational	-	-	-	-	-
Student Intervention Services	-	-	-	-	-
Support Services:					
Pupils	27,990	-	-	-	-
Instructional Staff	27,443	-	-	-	-
Administration	596	-	17,618	-	-
Fiscal	-	-	-	9,588	-
Operation and Maintenance of Plant	2,204	-	-	776,388	12,085
Pupil Transportation	-	-	-	-	-
Central	-	94,003	-	-	-
Non-Instructional Services	-	-	-	9,819	-
Extracurricular Activities	8,525	-	-	-	213,464
Capital Outlay	-	-	-	118,857	-
Total Expenditures	<u>86,804</u>	<u>94,003</u>	<u>17,618</u>	<u>914,652</u>	<u>225,549</u>
Excess of Revenues Over (Under)					
Expenditures	(53,471)	(40,003)	(13,793)	237,819	(26,128)
Other Financing Sources:					
Transfers-In	-	-	-	-	-
Net Change in Fund Balance	(53,471)	(40,003)	(13,793)	237,819	(26,128)
Fund Balance (Deficit) at Beginning of Year	<u>587,795</u>	<u>53,560</u>	<u>484,397</u>	<u>8,429,192</u>	<u>156,767</u>
Fund Balance (Deficit) at End of Year	<u>\$ 534,324</u>	<u>\$ 13,557</u>	<u>\$ 470,604</u>	<u>\$ 8,667,011</u>	<u>\$ 130,639</u>

Auxiliary Services	Management Information Systems	Public School Preschool	Entry Year Program	Data Communications	Vocational Education Enhancement	Alternative Schools
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1,297,952	-	166,225	-	4,902	-	107,662
7,472	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>1,305,424</u>	<u>-</u>	<u>166,225</u>	<u>-</u>	<u>4,902</u>	<u>-</u>	<u>107,662</u>
-	-	5,491	-	-	7,825	-
-	-	180,336	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	88,039
-	-	17,623	-	-	-	-
-	-	421	-	-	-	41,192
-	-	3,680	-	-	-	2,689
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	4,166	-	-	-	-	-
1,276,439	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>1,276,439</u>	<u>4,166</u>	<u>207,551</u>	<u>-</u>	<u>-</u>	<u>7,825</u>	<u>131,920</u>
<u>28,985</u>	<u>(4,166)</u>	<u>(41,326)</u>	<u>-</u>	<u>4,902</u>	<u>(7,825)</u>	<u>(24,258)</u>
-	-	-	-	-	-	-
28,985	(4,166)	(41,326)	-	4,902	(7,825)	(24,258)
<u>221,386</u>	<u>4,166</u>	<u>44,077</u>	<u>1,000</u>	<u>5</u>	<u>4,000</u>	<u>(860)</u>
\$ <u>250,371</u>	\$ <u>-</u>	\$ <u>2,751</u>	\$ <u>1,000</u>	\$ <u>4,907</u>	\$ <u>(3,825)</u>	\$ <u>(25,118)</u>

(Continued)

DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(Continued)

	Miscellaneous State Grants	Education Jobs	Race to the Top	Title VI-B	Vocational Education
Revenues:					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	4,516,201	3,089,971	6,911,342	513,832
Interest	-	-	-	-	-
Gifts and Donations	-	-	-	-	-
Customer Sales and Services	-	-	-	-	-
Extracurricular Activities	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total Revenues	-	4,516,201	3,089,971	6,911,342	513,832
Expenditures:					
Current:					
Instruction:					
Regular	-	4,516,201	1,428,683	-	-
Special	-	-	-	2,587,144	-
Vocational	-	-	-	-	413,350
Student Intervention Services	-	-	-	-	-
Support Services:					
Pupils	-	-	247,789	1,039,551	715
Instructional Staff	-	-	816,801	1,975,952	111,038
Administration	-	-	83,901	118,438	70,605
Fiscal	-	-	-	142,394	-
Operation and Maintenance of Plant	-	-	-	-	-
Pupil Transportation	-	-	-	-	11,785
Central	-	-	-	-	31,831
Non-Instructional Services	-	-	-	302,753	-
Extracurricular Activities	-	-	-	-	-
Capital Outlay	-	-	-	-	-
Total Expenditures	-	4,516,201	2,577,174	6,166,232	639,324
Excess of Revenues Over (Under) Expenditures	-	-	512,797	745,110	(125,492)
Other Financing Sources: Transfers-In	-	-	-	-	-
Net Change in Fund Balance	-	-	512,797	745,110	(125,492)
Fund Balance (Deficit) at Beginning of Year	18,626	-	(53,378)	(424,031)	106,788
Fund Balance (Deficit) at End of Year	\$ 18,626	\$ -	\$ 459,419	\$ 321,079	\$ (18,704)

Head Start	State Fiscal Stabilization	Title II-D Technology	Title I School Improvement Stimulus A	Title I School Improvement Stimulus G	Dropout Prevention and Intervention	Title I
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
78,444	-	-	800,100	4,971,687	105,885	12,511,549
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	12,027	254	811
<u>78,444</u>	<u>-</u>	<u>-</u>	<u>800,100</u>	<u>4,983,714</u>	<u>106,139</u>	<u>12,512,360</u>
-	628,558	-	-	-	-	-
36,640	-	25,428	-	2,055,882	81,383	4,301,843
-	-	-	-	549,911	-	2,126,457
-	118,776	-	-	21,757	18,532	1,325,128
-	5,799	39,186	755,099	1,869,976	11,529	3,595,653
3,790	166,154	-	-	152,579	-	617,866
-	-	2,911	-	896,752	4,274	299,107
-	-	-	-	-	-	-
-	-	-	-	443,885	1,110	87,872
-	-	-	-	-	-	-
-	-	4,270	-	-	-	307,603
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>40,430</u>	<u>919,287</u>	<u>71,795</u>	<u>755,099</u>	<u>5,990,742</u>	<u>116,828</u>	<u>12,661,529</u>
<u>38,014</u>	<u>(919,287)</u>	<u>(71,795)</u>	<u>45,001</u>	<u>(1,007,028)</u>	<u>(10,689)</u>	<u>(149,169)</u>
<u>-</u>	<u>2,151,634</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>38,014</u>	<u>1,232,347</u>	<u>(71,795)</u>	<u>45,001</u>	<u>(1,007,028)</u>	<u>(10,689)</u>	<u>(149,169)</u>
<u>(39,661)</u>	<u>(1,232,347)</u>	<u>40,337</u>	<u>(96,701)</u>	<u>70,198</u>	<u>11,785</u>	<u>(865,778)</u>
<u>\$ (1,647)</u>	<u>\$ -</u>	<u>\$ (31,458)</u>	<u>\$ (51,700)</u>	<u>\$ (936,830)</u>	<u>\$ 1,096</u>	<u>\$ (1,014,947)</u>

(Continued)

DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012
 (Continued)

	Title VI	Drug Free Schools Program	EHA Preschool Grants for the Handicapped	Title VI-R Classroom Size Reduction	Miscellaneous Federal Grants
Revenues:					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	155,736	2,191,374	281,001
Interest	-	-	-	-	-
Gifts and Donations	-	-	-	-	-
Customer Sales and Services	-	-	-	-	-
Extracurricular Activities	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>155,736</u>	<u>2,191,374</u>	<u>281,001</u>
Expenditures:					
Current:					
Instruction:					
Regular	-	-	-	-	1,679
Special	-	-	15,041	-	1,517
Vocational	-	-	-	-	-
Student Intervention Services	-	-	-	-	-
Support Services:					
Pupils	-	-	-	-	194,461
Instructional Staff	-	22,869	148,400	2,097,465	67,803
Administration	-	-	-	-	41,323
Fiscal	-	105	3,589	48,459	5,966
Operation and Maintenance of Plant	-	-	-	-	5,461
Pupil Transportation	-	-	-	-	-
Central	-	-	-	-	-
Non-Instructional Services	-	-	-	7,500	-
Extracurricular Activities	-	-	-	-	-
Capital Outlay	-	-	-	-	-
Total Expenditures	<u>-</u>	<u>22,974</u>	<u>167,030</u>	<u>2,153,424</u>	<u>318,210</u>
Excess of Revenues Over (Under)					
Expenditures	<u>-</u>	<u>(22,974)</u>	<u>(11,294)</u>	<u>37,950</u>	<u>(37,209)</u>
Other Financing Sources:					
Transfers-In	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	<u>-</u>	<u>(22,974)</u>	<u>(11,294)</u>	<u>37,950</u>	<u>(37,209)</u>
Fund Balance (Deficit) at Beginning of Year	<u>5,222</u>	<u>22,974</u>	<u>14</u>	<u>11,062</u>	<u>(24,611)</u>
Fund Balance (Deficit) at End of Year	<u>\$ 5,222</u>	<u>\$ -</u>	<u>\$ (11,280)</u>	<u>\$ 49,012</u>	<u>\$ (61,820)</u>

Special Trust	Food Service	Welcome Stadium	Total
\$ -	\$ -	\$ -	\$ 580,343
-	7,742,576	-	46,072,567
-	-	-	7,472
13,939	-	-	17,764
-	1,062,209	-	1,062,209
-	-	362,617	562,038
-	-	-	46,425
<u>13,939</u>	<u>8,804,785</u>	<u>362,617</u>	<u>48,348,818</u>
-	-	-	6,608,483
-	-	-	9,285,214
-	-	-	413,350
-	-	-	2,676,368
12,577	-	-	3,095,315
-	-	-	11,562,636
-	-	-	1,314,483
-	-	-	1,419,514
-	24,715	51,593	872,446
-	-	-	544,652
-	-	-	130,000
-	8,669,891	-	10,578,275
-	-	424,828	646,817
-	-	-	118,857
<u>12,577</u>	<u>8,694,606</u>	<u>476,421</u>	<u>49,266,410</u>
<u>1,362</u>	<u>110,179</u>	<u>(113,804)</u>	<u>(917,592)</u>
-	-	-	2,151,634
1,362	110,179	(113,804)	1,234,042
<u>79,764</u>	<u>262,819</u>	<u>279,316</u>	<u>8,157,883</u>
<u>\$ 81,126</u>	<u>\$ 372,998</u>	<u>\$ 165,512</u>	<u>\$ 9,391,925</u>

DAYTON SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
OTHER GRANTS FUND - BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Miscellaneous	\$ 1,026,000	\$ 68,043	\$ 68,043	\$ -
Expenditures:				
Current:				
Instruction:				
Regular	161,676	101,280	20,047	81,233
Special	12,046	7,546	1,697	5,849
Vocational	2,319	1,453	-	1,453
Adult/Continuing	2,596	1,626	-	1,626
Support Services:				
Pupils	613,573	384,365	32,868	351,497
Instructional Staff	162,910	102,053	32,055	69,998
Board of Education	362	227	-	227
Administration	9,252	5,796	596	5,200
Operation and Maintenance of Plant	22,877	14,331	2,204	12,127
Pupil Transportation	1,437	900	-	900
Central	3,193	2,000	-	2,000
Extracurricular Activities	91,369	57,237	25,713	31,524
Total Expenditures	1,083,610	678,814	115,180	563,634
Net Change in Fund Balance	(57,610)	(610,771)	(47,137)	563,634
Fund Balance at Beginning of Year	620,754	571,363	571,363	-
Prior Year Encumbrances Appropriated	57,610	39,408	39,408	-
Fund Balance at End of Year	\$ 620,754	\$ -	\$ 563,634	\$ 563,634

DAYTON SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
COMPUTER NETWORKS FUND - BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 65,000	\$ 54,000	\$ 54,000	\$ -
Expenditures:				
Current:				
Support Services:				
Central	75,420	115,880	115,880	-
Total Expenditures	75,420	115,880	115,880	-
Net Change in Fund Balance	(10,420)	(61,880)	(61,880)	-
Fund Balance at Beginning of Year	53,080	51,460	51,460	-
Prior Year Encumbrances Appropriated	10,420	10,420	10,420	-
Fund Balance at End of Year	<u>\$ 53,080</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

DAYTON SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
MAINTENANCE OF CLASSROOM FACILITIES FUND - BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Taxes	\$ 675,000	\$ 593,186	\$ 593,186	\$ -
Intergovernmental	575,000	572,128	572,128	-
Total Revenues	1,250,000	1,165,314	1,165,314	-
Expenditures:				
Current:				
Support Services:				
Fiscal	28,173	14,276	9,588	4,688
Operation and Maintenance of Plant	2,471,324	1,252,300	859,616	392,684
Non-Instructional Services	16,516	8,369	8,369	-
Capital Outlay	999,277	506,366	175,143	331,223
Total Expenditures	3,515,290	1,781,311	1,052,716	728,595
Net Change in Fund Balance	(2,265,290)	(615,997)	112,598	728,595
Fund Balance at Beginning of Year	8,007,043	8,225,742	8,225,742	-
Prior Year Encumbrances Appropriated	387,289	184,008	184,008	-
Fund Balance at End of Year	\$ 6,129,042	\$ 7,793,753	\$ 8,522,348	\$ 728,595

DAYTON SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
DISTRICT MANAGED STUDENT ACTIVITIES FUND - BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Extracurricular Activities	\$ 200,000	\$ 199,421	\$ 199,421	\$ -
Expenditures:				
Current:				
Support Services:				
Operation and Maintenance of Plant	18,315	16,678	12,086	4,592
Extracurricular Activities	378,349	344,548	249,667	94,881
Total Expenditures	396,664	361,226	261,753	99,473
Net Change in Fund Balance	(196,664)	(161,805)	(62,332)	99,473
Fund Balance at Beginning of Year	163,195	153,455	153,455	-
Prior Year Encumbrances Appropriated	21,664	8,350	8,350	-
Fund Balance (Deficit) at End of Year	<u>\$ (11,805)</u>	<u>\$ -</u>	<u>\$ 99,473</u>	<u>\$ 99,473</u>

DAYTON SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
AUXILIARY SERVICES FUND - BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 2,684,546	\$ 1,397,380	\$ 1,297,952	\$ (99,428)
Interest	15,454	8,044	7,472	(572)
Total Revenues	2,700,000	1,405,424	1,305,424	(100,000)
Expenditures:				
Current:				
Non-Instructional Services	3,101,863	1,864,083	1,547,995	316,088
Excess of Revenues Under Expenditures	(401,863)	(458,659)	(242,571)	216,088
Other Financing Sources (Uses):				
Advances-In	-	-	100,000	100,000
Refund of Prior Year Expenditures	(136,993)	(82,327)	(50,000)	32,327
Advances-Out	-	-	(80,327)	(80,327)
Total Other Financing Sources (Uses)	(136,993)	(82,327)	(30,327)	52,000
Net Change in Fund Balance	(538,856)	(540,986)	(272,898)	268,088
Fund Balance at Beginning of Year	701,969	174,978	174,978	-
Prior Year Encumbrances Appropriated	538,857	488,577	488,577	-
Fund Balance at End of Year	\$ 701,970	\$ 122,569	\$ 390,657	\$ 268,088

DAYTON SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 MANAGEMENT INFORMATION SYSTEMS FUND - BUDGET (NON-GAAP) AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 20,000	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Support Services:				
Central	20,000	4,167	4,167	-
Net Change in Fund Balance	-	(4,167)	(4,167)	-
Fund Balance at Beginning of Year	4,167	4,167	4,167	-
Fund Balance at End of Year	<u>\$ 4,167</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

DAYTON SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
PUBLIC SCHOOL PRESCHOOL FUND - BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 325,000	\$ 186,225	\$ 166,225	\$ (20,000)
Expenditures:				
Current:				
Instruction:				
Regular	16,659	10,356	10,356	-
Special	292,238	181,674	181,674	-
Support Services:				
Pupils	322	200	200	-
Instructional Staff	45,616	28,358	28,358	-
Administration	677	421	421	-
Total Expenditures	355,512	221,009	221,009	-
Excess of Revenues Under Expenditures	(30,512)	(34,784)	(54,784)	(20,000)
Other Financing Sources:				
Advances-In	-	-	20,000	20,000
Net Change in Fund Balance	(30,512)	(34,784)	(34,784)	-
Fund Balance at Beginning of Year	65,183	60,130	60,130	-
Prior Year Encumbrances Appropriated	2,512	2,001	2,001	-
Fund Balance at End of Year	\$ 37,183	\$ 27,347	\$ 27,347	\$ -

DAYTON SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 ENTRY YEAR PROGRAM FUND - BUDGET (NON-GAAP) AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenue:	\$ -	\$ -	\$ -	\$ -
Expenditure:	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	-	-	-	-
Fund Balance at Beginning of Year	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>-</u>
Fund Balance at End of Year	<u><u>\$ 1,000</u></u>	<u><u>\$ 1,000</u></u>	<u><u>\$ 1,000</u></u>	<u><u>\$ -</u></u>

DAYTON SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 DATA COMMUNICATIONS FUND - BUDGET (NON-GAAP) AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 100,000	\$ 2,809	\$ 2,809	\$ -
Expenditures:				
Current:				
Central	100,006	-	-	-
Net Change in Fund Balance	(6)	2,809	2,809	-
Fund Balance at Beginning of Year	6	-	-	-
Prior Year Encumbrances Appropriated	6	6	6	-
Fund Balance at End of Year	<u>\$ 6</u>	<u>\$ 2,815</u>	<u>\$ 2,815</u>	<u>\$ -</u>

DAYTON SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
VOCATIONAL EDUCATION ENHANCEMENT FUND - BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 5,000	\$ 5,000	\$ -	\$ (5,000)
Expenditures:				
Current:				
Instruction:				
Regular	<u>4,739</u>	<u>7,621</u>	<u>7,621</u>	<u>-</u>
Excess of Revenues Under Expenditures	<u>261</u>	<u>(2,621)</u>	<u>(7,621)</u>	<u>(5,000)</u>
Other Financing Sources (Uses):				
Refund of Prior Year Expenditures	(261)	(419)	(419)	-
Advances-In	<u>-</u>	<u>-</u>	<u>5,000</u>	<u>5,000</u>
Total Other Financing Sources (Uses)	<u>(261)</u>	<u>(419)</u>	<u>4,581</u>	<u>5,000</u>
Net Change in Fund Balance	-	(3,040)	(3,040)	(5,000)
Fund Balance at Beginning of Year	400	-	-	-
Prior Year Encumbrances Appropriated	<u>-</u>	<u>4,000</u>	<u>4,000</u>	<u>-</u>
Fund Balance (Deficit) at End of Year	<u>\$ 400</u>	<u>\$ 960</u>	<u>\$ 960</u>	<u>\$ (5,000)</u>

DAYTON SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ALTERNATIVE SCHOOLS FUND - BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 260,600	\$ 177,623	\$ 144,723	\$ (32,900)
Expenditures:				
Current:				
Support Services:				
Pupils	212,403	131,021	88,039	42,982
Instructional Staff	23,265	14,351	9,650	4,701
Administration	94,732	58,436	39,631	18,805
Fiscal	4,200	2,591	1,919	672
Total Expenditures	334,600	206,399	139,239	67,160
Excess of Revenues Over (Under) Expenditures	(74,000)	(28,776)	5,484	34,260
Other Financing Sources (Uses):				
Advances-In	-	-	32,900	32,900
Advances-Out	-	-	(67,160)	(67,160)
Total Other Financing Sources (Uses)	-	-	(34,260)	(34,260)
Net Change in Fund Balance	(74,000)	(28,776)	(28,776)	-
Fund Balance at Beginning of Year	(516)	59	59	-
Prior Year Encumbrances Appropriated	74,000	37,676	37,676	-
Fund Balance (Deficit) at End of Year	\$ (516)	\$ 8,959	\$ 8,959	\$ -

DAYTON SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
MISCELLANEOUS STATE GRANTS FUND - BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 18,700	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Instruction:				
Regular	18,159	18,087	-	18,087
Support Services:				
Fiscal	541	539	-	539
Total Expenditures	18,700	18,626	-	18,626
Net Change in Fund Balance	-	(18,626)	-	18,626
Fund Balance at Beginning of Year	18,628	18,626	18,626	-
Fund Balance at End of Year	\$ 18,628	\$ -	\$ 18,626	\$ 18,626

DAYTON SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 EDUCATION JOBS FUND - BUDGET (NON-GAAP) AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Intergovernmental	\$ 4,398,151	\$ 4,516,201	\$ 4,516,201	\$ -
Expenditures:				
Current:				
Instruction:				
Regular	<u>4,398,151</u>	<u>4,516,201</u>	<u>4,516,201</u>	<u>-</u>
Net Change in Fund Balance	-	-	-	-
Fund Balance at Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance at End of Year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

DAYTON SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
RACE TO THE TOP FUND - BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 2,418,000	\$ 3,012,610	\$ 2,762,610	\$ (250,000)
Expenditures:				
Current:				
Instruction:				
Regular	1,325,657	1,601,604	1,429,764	171,840
Support Services:				
Pupils	222,710	269,069	240,429	28,640
Instructional Staff	1,134,076	1,370,143	1,223,363	146,780
Administration	77,143	93,201	82,461	10,740
Total Expenditures	<u>2,759,586</u>	<u>3,334,017</u>	<u>2,976,017</u>	<u>358,000</u>
Excess of Revenues Under Expenditures	<u>(341,586)</u>	<u>(321,407)</u>	<u>(213,407)</u>	<u>108,000</u>
Other Financing Sources (Uses):				
Advances-In	-	-	250,000	250,000
Advance-Out	-	-	(358,000)	(358,000)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(108,000)</u>	<u>(108,000)</u>
Net Change in Fund Balance	(341,586)	(321,407)	(321,407)	-
Fund Balance at Beginning of Year	37,437	2,874	2,874	-
Prior Year Encumbrances Appropriated	<u>341,586</u>	<u>332,302</u>	<u>332,302</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 37,437</u>	<u>\$ 13,769</u>	<u>\$ 13,769</u>	<u>\$ -</u>

DAYTON SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
TITLE VI-B FUND - BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 8,320,000	\$ 6,802,622	\$ 6,802,622	\$ -
Expenditures:				
Current:				
Instruction:				
Special	4,946,004	4,228,232	3,277,831	950,401
Support Services:				
Pupils	1,632,242	1,395,368	1,078,568	316,800
Instructional Staff	3,320,714	2,838,806	2,184,087	654,719
Administration	186,971	159,837	117,597	42,240
Fiscal	220,801	188,758	146,518	42,240
Non-Instructional Services	509,322	435,409	329,809	105,600
Total Expenditures	10,816,054	9,246,410	7,134,410	2,112,000
Excess of Revenues Under Expenditures	(2,496,054)	(2,443,788)	(331,788)	2,112,000
Other Financing (Uses):				
Advances-Out	-	-	(2,112,000)	(2,112,000)
Net Change in Fund Balance	(2,496,054)	(2,443,788)	(2,443,788)	-
Fund Balance at Beginning of Year	(594,952)	2,155	2,155	-
Prior Year Encumbrances Appropriated	2,496,054	2,470,976	2,470,976	-
Fund Balance (Deficit) at End of Year	\$ (594,952)	\$ 29,343	\$ 29,343	\$ -

DAYTON SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
VOCATIONAL EDUCATION FUND - BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 1,206,322	\$ 653,011	\$ 428,011	\$ (225,000)
Expenditures:				
Current:				
Instruction:				
Vocational	1,024,407	609,945	594,839	15,106
Support Services:				
Instructional Staff	188,771	112,397	109,613	2,784
Administration	74,969	44,638	43,532	1,106
Pupil Transportation	31,929	19,011	18,540	471
Central	56,254	33,494	32,665	829
Total Expenditures	1,376,330	819,485	799,189	20,296
Excess of Revenues Under Expenditures	(170,008)	(166,474)	(371,178)	(204,704)
Other Financing Sources:				
Advances-In	-	-	225,000	225,000
Net Change in Fund Balance	(170,008)	(166,474)	(146,178)	20,296
Fund Balance at Beginning of Year	45,944	51,960	51,960	-
Prior Year Encumbrances Appropriated	170,009	164,837	164,837	-
Fund Balance at End of Year	\$ 45,945	\$ 50,323	\$ 70,619	\$ 20,296

DAYTON SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
HEAD START FUND - BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 1,069,320	\$ 167,254	\$ 167,254	\$ -
Expenditures:				
Current:				
Instruction:				
Special	339,273	264,651	74,651	190,000
Support Services:				
Administration	17,679	13,790	3,790	10,000
Total Expenditures	356,952	278,441	78,441	200,000
Excess of Revenues Over (Under) Expenditures	712,368	(111,187)	88,813	200,000
Other Financing Uses:				
Advances-Out	-	-	(200,000)	(200,000)
Net Change in Fund Balance	712,368	(111,187)	(111,187)	-
Fund Balance at Beginning of Year	41,964	111,187	111,187	-
Prior Year Encumbrances Appropriated	1,952	-	-	-
Fund Balance at End of Year	\$ 756,284	\$ -	\$ -	\$ -

DAYTON SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
TITLE II-D TECHNOLOGY FUND - BUDGET (NON-GAPP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 389,500	\$ 72,434	\$ -	\$ (72,434)
Expenditures:				
Current:				
Special	106,243	70,409	44,882	25,527
Support Services:				
Instructional Staff	411,541	272,737	191,023	81,714
Fiscal	4,681	3,102	1,815	1,287
Non Instructional Services	28,820	19,100	12,330	6,770
Total Expenditures	551,285	365,348	250,050	115,298
Excess of Revenues Under Expenditures	(161,785)	(292,914)	(250,050)	42,864
Other Financing Sources (Uses):				
Advance-In	-	-	91,000	91,000
Advances-Out	-	-	(100,000)	(100,000)
Total Other Financing Sources (Uses)	-	-	(9,000)	(9,000)
Net Change in Fund Balance	(161,785)	(292,914)	(259,050)	33,864
Fund Balance at Beginning of Year	68,635	131,232	131,232	-
Prior Year Encumbrances Appropriated	161,785	161,785	161,785	-
Fund Balance at End of Year	\$ 68,635	\$ 103	\$ 33,967	\$ 33,864

DAYTON SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
TITLE I SCHOOL IMPROVEMENT STIMULUS A FUND - BUDGET (NON-GAPP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 1,500,000	\$ 866,275	\$ 210,275	\$ (656,000)
Expenditures:				
Current:				
Support Services:				
Instructional Staff	<u>1,395,000</u>	<u>926,800</u>	<u>926,800</u>	<u>-</u>
Excess of Revenues Over(Under) Expenditures	105,000	(60,525)	(716,525)	(656,000)
Other Financing Sources:				
Advances-In	<u>-</u>	<u>-</u>	<u>656,000</u>	<u>656,000</u>
Net Change in Fund Balance	105,000	(60,525)	(60,525)	-
Fund Balance (Deficit) at Beginning of Year	(134,010)	-	-	-
Prior Year Encumbrances Appropriated	<u>82,000</u>	<u>75,000</u>	<u>75,000</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 52,990</u>	<u>\$ 14,475</u>	<u>\$ 14,475</u>	<u>\$ -</u>

DAYTON SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
TITLE I SCHOOL IMPROVEMENT STIMULUS G FUND - BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 1,051,611	\$ 5,231,499	\$ 4,256,499	\$ (975,000)
Expenditures:				
Current:				
Instruction:				
Special	460,468	2,161,890	2,161,890	-
Other	117,127	549,911	549,911	-
Support Services:				
Pupils	6,121	28,739	28,739	-
Instructional Staff	419,275	1,968,489	1,968,489	-
Administration	31,304	146,973	146,973	-
Fiscal	2,526	11,858	11,858	-
Pupil Transportation	97,400	457,290	457,290	-
Total Expenditures	1,134,221	5,325,150	5,325,150	-
Excess of Revenues Under Expenditures	(82,610)	(93,651)	(1,068,651)	(975,000)
Other Financing Sources (Uses):				
Refund of Prior Year Receipts	(8,088)	(37,972)	(37,972)	-
Advances-In	-	-	975,000	975,000
Total Other Financing Sources (Uses)	(8,088)	(37,972)	937,028	975,000
Net Change in Fund Balance	(90,698)	(131,623)	(131,623)	-
Fund Balance at Beginning of Year	93,297	101,428	101,428	-
Prior Year Encumbrances Appropriated	90,697	75,185	75,185	-
Fund Balance at End of Year	\$ 93,296	\$ 44,990	\$ 44,990	\$ -

DAYTON SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
DROPOUT PREVENTION AND INTERVENTION FUND - BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 241,450	\$ 126,480	\$ 91,480	\$ (35,000)
Expenditures:				
Current:				
Instruction:				
Special	158,767	92,427	83,361	9,066
Support Services:				
Pupils	46,997	27,360	24,676	2,684
Instructional Staff	47,274	27,521	24,822	2,699
Fiscal	4,047	2,356	2,125	231
Pupil Transportation	2,114	1,231	1,110	121
Total Expenditures	259,199	150,895	136,094	14,801
Excess of Revenues Under Expenditures	(17,749)	(24,415)	(44,614)	(20,199)
Other Financing Sources:				
Advances-In	-	-	35,000	35,000
Net Change in Fund Balance	(17,749)	(24,415)	(9,614)	14,801
Fund Balance at Beginning of Year	29,474	12,614	12,614	-
Prior Year Encumbrances Appropriated	17,749	15,649	15,649	-
Fund Balance at End of Year	<u>\$ 29,474</u>	<u>\$ 3,848</u>	<u>\$ 18,649</u>	<u>\$ 14,801</u>

DAYTON SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
TITLE I FUND - BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 17,875,000	\$ 14,372,145	\$ 13,147,145	\$ (1,225,000)
Expenditures:				
Current:				
Instruction:				
Special	6,729,397	5,460,713	5,007,949	452,764
Other	3,128,958	2,539,060	2,333,260	205,800
Support Services:				
Pupils	2,826,662	2,293,755	2,087,956	205,799
Instructional Staff	5,559,460	4,511,342	4,140,903	370,439
Administration	865,284	702,153	647,273	54,880
Fiscal	436,283	354,031	326,592	27,439
Pupil Transportation	399,200	323,939	296,500	27,439
Non-Instructional Services	426,102	345,770	318,330	27,440
Total Expenditures	20,371,346	16,530,763	15,158,763	1,372,000
Excess of Revenues Under Expenditures	(2,496,346)	(2,158,618)	(2,011,618)	147,000
Other Financing Sources (Uses):				
Advances-In	-	-	1,225,000	1,225,000
Advances-Out	-	-	(1,372,000)	(1,372,000)
Total Other Financing Sources (Uses)	-	-	(147,000)	(147,000)
Net Change in Fund Balance	(2,496,346)	(2,158,618)	(2,158,618)	-
Fund Balance (Deficit) at Beginning of Year	(1,354,121)	5,070	5,070	-
Prior Year Encumbrances Appropriated	2,496,346	2,215,254	2,215,254	-
Fund Balance (Deficit) at End of Year	\$ (1,354,121)	\$ 61,706	\$ 61,706	\$ -

DAYTON SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 TITLE VI FUND - BUDGET (NON-GAAP) AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenue:	\$ -	\$ -	\$ -	\$ -
Expenditures:	-	-	-	-
Net Change in Fund Balance	-	-	-	-
Fund Balance at Beginning of Year	5,219	5,217	5,217	-
Fund Balance at End of Year	<u>\$ 5,219</u>	<u>\$ 5,217</u>	<u>\$ 5,217</u>	<u>\$ -</u>

DAYTON SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
DRUG FREE SCHOOLS PROGRAM FUND - BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Support Services:				
Instructional Staff	47,997	63,000	63,000	-
Fiscal	1,150	1,510	1,510	-
Total Expenditures	49,147	64,510	64,510	-
Excess of Revenues Under Expenditures	(49,147)	(64,510)	(64,510)	-
Other Financing Uses:				
Refund of Prior Year Receipts	(17,423)	(22,869)	(22,869)	-
Net Change in Fund Balance	(66,570)	(87,379)	(87,379)	-
Fund Balance at Beginning of Year	69,226	20,809	20,809	-
Prior Year Encumbrances Appropriated	66,570	66,570	66,570	-
Fund Balance at End of Year	<u>\$ 69,226</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

DAYTON SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 EHA PRESCHOOL GRANTS FOR THE HANDICAPPED FUND - BUDGET (NON-GAAP) AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 196,300	\$ 174,792	\$ 164,792	\$ (10,000)
Expenditures:				
Current:				
Instruction:				
Special	37,127	32,084	29,722	2,362
Support Services:				
Instructional Staff	178,384	154,153	142,892	11,261
Fiscal	4,500	3,888	3,611	277
Total Expenditures	220,011	190,125	176,225	13,900
Excess of Revenues Under Expenditures	(23,711)	(15,333)	(11,433)	3,900
Other Financing Sources (Uses):				
Advances-In	-	-	10,000	10,000
Advances-Out	-	-	(13,900)	(13,900)
Total Other Financing Sources (Uses)	-	-	(3,900)	(3,900)
Net Change in Fund Balance	(23,711)	(15,333)	(15,333)	-
Fund Balance at Beginning of Year	5,064	177	177	-
Prior Year Encumbrances Appropriated	23,711	22,537	22,537	-
Fund Balance at End of Year	\$ 5,064	\$ 7,381	\$ 7,381	\$ -

DAYTON SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
TITLE VI-R CLASSROOM SIZE REDUCTION FUND - BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 4,605,700	\$ 2,500,788	\$ 2,000,788	\$ (500,000)
Expenditures:				
Current:				
Support Services:				
Instructional Staff	4,653,452	2,469,488	2,301,488	168,000
Fiscal	126,619	67,194	61,944	5,250
Non-Instructional Services	29,253	15,524	13,774	1,750
Total Expenditures	4,809,324	2,552,206	2,377,206	175,000
Excess of Revenues Under Expenditures	(203,624)	(51,418)	(376,418)	(325,000)
Other Financing Sources (Uses):				
Advances - Out	-	-	(175,000)	(175,000)
Advances-In	-	-	500,000	500,000
Total Other Financing Sources (Uses)	-	-	325,000	325,000
Net Change in Fund Balance	(203,624)	(51,418)	(51,418)	-
Fund Balance (Deficit) at Beginning of Year	(8,718)	8,468	8,468	-
Prior Year Encumbrances Appropriated	203,624	190,246	190,246	-
Fund Balance (Deficit) at End of Year	<u>\$ (8,718)</u>	<u>\$ 147,296</u>	<u>\$ 147,296</u>	<u>\$ -</u>

DAYTON SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
MISCELLANEOUS FEDERAL GRANTS FUND - BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 1,540,000	\$ 319,761	\$ 281,761	\$ (38,000)
Expenditures:				
Current:				
Instruction:				
Regular	33,746	10,359	7,685	2,674
Special	13,302	4,084	2,818	1,266
Support Services:				
Pupils	1,063,196	326,389	242,130	84,259
Instructional Staff	286,358	87,909	65,184	22,725
Administration	183,380	56,296	41,630	14,666
Fiscal	11,380	3,494	2,266	1,228
Operation and Maintenance of Plant	22,512	6,911	5,461	1,450
Total Expenditures	1,613,874	495,442	367,174	128,268
Excess of Revenues Under Expenditures	(73,874)	(175,681)	(85,413)	90,268
Other Financing Sources (Uses):				
Refund of Prior Year Receipts	(72,089)	(22,131)	(16,689)	5,442
Advances-In	-	-	38,000	38,000
Advances-Out	-	-	(100,000)	(100,000)
Total Other Financing Sources (Uses)	(72,089)	(22,131)	(78,689)	(56,558)
Net Change in Fund Balance	(145,963)	(197,812)	(164,102)	33,710
Fund Balance at Beginning of Year	164,462	97,841	97,841	-
Prior Year Encumbrances Appropriated	145,963	124,970	124,970	-
Fund Balance at End of Year	<u>\$ 164,462</u>	<u>\$ 24,999</u>	<u>\$ 58,709</u>	<u>\$ 33,710</u>

DAYTON SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
SPECIAL TRUST FUND - BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Gifts and Donations	\$ 20,000	\$ 13,939	\$ 13,939	\$ -
Expenditures:				
Current:				
Support Services:				
Pupils	74,690	93,703	12,577	81,126
Net Change in Fund Balance	(54,690)	(79,764)	1,362	81,126
Fund Balance at Beginning of Year	81,261	79,736	79,736	-
Prior Year Encumbrances Appropriated	1,525	28	28	-
Fund Balance at End of Year	<u>\$ 28,096</u>	<u>\$ -</u>	<u>\$ 81,126</u>	<u>\$ 81,126</u>

DAYTON SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOOD SERVICE FUND - BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 7,481,614	\$ 7,557,883	\$ 7,710,469	\$ 152,586
Charges for Services	1,202,535	1,214,794	1,062,208	(152,586)
Total Revenues	8,684,149	8,772,677	8,772,677	-
Expenditures:				
Current:				
Support Services:				
Operation and Maintenance of Plant	35,016	30,276	29,831	445
Non-Instructional Services	10,062,674	8,700,376	8,572,502	127,874
Total Expenditures	10,097,690	8,730,652	8,602,333	128,319
Net Change in Fund Balance	(1,413,541)	42,025	170,344	128,319
Fund Balance at Beginning of Year	764,474	404,151	404,151	-
Prior Year Encumbrances Appropriated	324,534	38	38	-
Fund Balance (Deficit) at End of Year	\$ (324,533)	\$ 446,214	\$ 574,533	\$ 128,319

DAYTON SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
WELCOME STADIUM FUND - BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Extracurricular Activities	\$ 472,262	\$ 362,616	\$ 362,616	\$ -
Expenditures:				
Current:				
Operation and Maintenance of Plant	62,580	63,243	51,453	11,790
Extracurricular Activities	547,021	552,812	449,753	103,059
Total Expenditures	609,601	616,055	501,206	114,849
Net Change in Fund Balance	(137,339)	(253,439)	(138,590)	114,849
Fund Balance at Beginning of Year	312,192	273,038	273,038	-
Prior Year Encumbrances Appropriated	109,601	8,892	8,892	-
Fund Balance at End of Year	<u>\$ 284,454</u>	<u>\$ 28,491</u>	<u>\$ 143,340</u>	<u>\$ 114,849</u>

DAYTON SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
UNIFORM SCHOOL SUPPLIES FUND - BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Tuition and Fees	\$ 7,000	\$ 2,972	\$ 2,972	\$ -
Expenditures:				
Current:				
Instruction:				
Regular	14,405	35,865	3,957	31,908
Excess of Revenues Under Expenditures	(7,405)	(32,893)	(985)	31,908
Other Financing Sources:				
Transfers-In	-	24,625	24,625	-
Net Change in Fund Balance	(7,405)	(8,268)	23,640	31,908
Fund Balance at Beginning of Year	9,400	8,261	8,261	-
Prior Year Encumbrances Appropriated	128	128	128	-
Fund Balance at End of Year	<u>\$ 2,123</u>	<u>\$ 121</u>	<u>\$ 32,029</u>	<u>\$ 31,908</u>

DAYTON SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
OTHER GRANT ROTARY FUND - BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Extracurricular Activities	\$ 30,000	\$ 25,058	\$ 25,058	\$ -
Expenditures:				
Current:				
Instruction:				
Regular	118,200	113,726	11,202	102,524
Support Services:				
Instructional Staff	20,064	19,305	15,205	4,100
Operation and Maintenance of Plant	405	390	349	41
Total Expenditures	<u>138,669</u>	<u>133,421</u>	<u>26,756</u>	<u>106,665</u>
Excess of Revenues Under Expenditures	(108,669)	(108,363)	(1,698)	106,665
Other Financing Uses:				
Transfers-Out	<u>(84)</u>	<u>(81)</u>	<u>-</u>	<u>81</u>
Net Change in Fund Balance	(108,753)	(108,444)	(1,698)	106,746
Fund Balance at Beginning of Year	110,628	107,744	107,744	-
Prior Year Encumbrances Appropriated	<u>4,143</u>	<u>700</u>	<u>700</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 6,018</u>	<u>\$ -</u>	<u>\$ 106,746</u>	<u>\$ 106,746</u>

DAYTON SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
PUBLIC SCHOOL SUPPORT FUND - BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 95,092	\$ 24,620	\$ 24,620	\$ -
Customer Sales and Services	22,687	5,874	5,874	-
Extracurricular Activities	773,811	200,346	200,346	-
Total Revenues	891,590	230,840	230,840	-
Expenditures:				
Current:				
Instruction:				
Regular	1,113,050	1,125,638	339,228	786,410
Adult/Continuing	11,087	20,003	20,003	-
Support Services:				
Pupils	137,081	139,703	16,524	123,179
Instructional Staff	35,866	36,552	1,596	34,956
Board of Education	389	396	396	-
Administration	293	299	299	-
Operation and Maintenance of Plant	14,913	15,198	13,448	1,750
Central	12	12	-	12
Total Expenditures	1,312,691	1,337,801	391,494	946,307
Excess of Revenues Under Expenditures	(421,101)	(1,106,961)	(160,654)	946,307
Other Financing Uses:				
Transfers-Out	(77)	(78)	-	78
Net Change in Fund Balance	(421,178)	(1,107,039)	(160,654)	946,385
Fund Balance at Beginning of Year	1,115,055	1,083,328	1,083,328	-
Prior Year Encumbrances Appropriated	40,088	23,985	23,985	-
Fund Balance at End of Year	\$ 733,965	\$ 274	\$ 946,659	\$ 946,385

DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
PERMANENT IMPROVEMENT FUND - BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Taxes	\$ 149,012	\$ 593,186	\$ 593,186	\$ -
Intergovernmental	77,927	310,213	310,213	-
Total Revenues	226,939	903,399	903,399	-
Expenditures:				
Instruction:				
Regular	345,526	367,866	367,041	825
Support Services:				
Pupils	10,857	11,559	11,533	26
Instructional Staff	47,053	50,095	49,983	112
Fiscal	36,797	39,176	39,088	88
Operation and Maintenance of Plant	137,634	146,533	146,204	329
Pupil Transportation	4,015,575	4,215,302	4,205,715	9,587
Central	3,577,807	3,809,128	3,800,586	8,542
Non Instructional Services	28,081	29,897	29,829	68
Capital Outlay	897,484	955,510	953,367	2,143
Debt Service:				
Principal Retirement	329,484	350,787	350,000	787
Interest and Fiscal Charges	42,207	44,936	44,835	101
Issuance Costs	-	59,898	59,898	-
Total Expenditures	9,468,505	10,080,687	10,058,079	22,608
Excess of Revenues Under Expenditures	(9,241,566)	(9,177,288)	(9,154,680)	22,608
Other Financing Sources:				
Proceeds from Sale of Bonds	643,061	2,495,000	2,495,000	-
Premium on Issuance of Bonds	-	64,898	64,898	-
Total Other Financing Sources	643,061	2,559,898	2,559,898	-
Net Change in Fund Balance	(8,598,505)	(6,617,390)	(6,594,782)	22,608
Fund Balance at Beginning of Year	10,067,809	6,519,318	6,519,318	-
Prior Year Encumbrances Appropriated	3,668,505	3,199,081	3,199,081	-
Fund Balance at End of Year	\$ 5,137,809	\$ 3,101,009	\$ 3,123,617	\$ 22,608

Internal Service Funds

INTERNAL SERVICE FUNDS

The Internal Service Funds are used to account for the financing of services provided by one department to other department of the School District on a cost-reimbursement basis.

Warehouse

A fund used to account for the intra-district function of central warehousing for the School District.

Retrospective Workers' Comp

To account for the accumulation of resources from the funds in which employees are paid which will be used to pay the premiums and claims related to the School District's participation in the Ohio Bureau of Workers' Compensation Retrospective Rating Program.

Self-Insurance

To account for the payment of all School District employees' health and dental insurance claims.

DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
COMBINING STATEMENT OF FUND NET ASSETS
ALL INTERNAL SERVICE FUNDS
JUNE 30, 2012

	<u>Warehouse</u>	<u>Retrospective Workers' Comp</u>	<u>Self- Insurance</u>	<u>Total</u>
<u>Assets:</u>				
Current Assets:				
Equity in Pooled Cash and Cash Equivalents	\$ 321,260	\$ 6,372,924	\$ 5,198,561	\$ 11,892,745
Accounts Receivable	-	-	5,339	5,339
Inventory Held for Resale	<u>639,738</u>	<u>-</u>	<u>-</u>	<u>639,738</u>
Total Current Assets	960,998	6,372,924	5,203,900	12,537,822
Noncurrent Assets:				
Capital Assets, Net of Accumulated Depreciation	<u>102,107</u>	<u>-</u>	<u>-</u>	<u>102,107</u>
Total Assets	<u>1,063,105</u>	<u>6,372,924</u>	<u>5,203,900</u>	<u>12,639,929</u>
<u>Liabilities:</u>				
Current Liabilities:				
Accounts Payable	1,060	1,514	-	2,574
Accrued Wages and Benefits Payable	-	3,498	-	3,498
Intergovernmental Payable	-	1,073,544	-	1,073,544
Claims Payable	-	302,706	2,880,000	3,182,706
Compensated Absences Payable	<u>-</u>	<u>5,419</u>	<u>-</u>	<u>5,419</u>
Total Current Liabilities	1,060	1,386,681	2,880,000	4,267,741
Noncurrent Liabilities:				
Claims Payable	-	2,313,276	-	2,313,276
Compensated Absences Payable	<u>-</u>	<u>7,348</u>	<u>-</u>	<u>7,348</u>
Total Noncurrent Liabilities	<u>-</u>	<u>2,320,624</u>	<u>-</u>	<u>2,320,624</u>
Total Liabilities	<u>1,060</u>	<u>3,707,305</u>	<u>2,880,000</u>	<u>6,588,365</u>
<u>Net Assets</u>				
Invested in Capital Assets	102,107	-	-	102,107
Unrestricted	<u>959,938</u>	<u>2,665,619</u>	<u>2,323,900</u>	<u>5,949,457</u>
Total Net Assets	<u>\$ 1,062,045</u>	<u>\$ 2,665,619</u>	<u>\$ 2,323,900</u>	<u>\$ 6,051,564</u>

DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS
ALL INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Warehouse	Retrospective Workers' Comp	Self- Insurance	Total
Operating Revenues:				
Sales	\$ 72,604	\$ -	\$ -	\$ 72,604
Charges for Services	-	50	30,373,164	30,373,214
Other Revenues	-	10,633	-	10,633
	<u>72,604</u>	<u>10,683</u>	<u>30,373,164</u>	<u>30,456,451</u>
Total Operating Revenues				
Operating Expenses:				
Salaries and Wages	-	70,037	-	70,037
Fringe Benefits	-	23,639	-	23,639
Purchased Services	30,488	1,807,186	1,806,053	3,643,727
Claims	-	732,345	29,309,724	30,042,069
Supplies and Materials	23,404	842	-	24,246
Cost of Sales	292,014	-	-	292,014
Depreciation	19,696	-	-	19,696
	<u>365,602</u>	<u>2,634,049</u>	<u>31,115,777</u>	<u>34,115,428</u>
Total Operating Expenses				
Operating Loss	(292,998)	(2,623,366)	(742,613)	(3,658,977)
Nonoperating Expenses:				
Other	-	(13,182)	-	(13,182)
Change in Net Assets	(292,998)	(2,636,548)	(742,613)	(3,672,159)
Net Assets at Beginning of Year	<u>1,355,043</u>	<u>5,302,167</u>	<u>3,066,513</u>	<u>9,723,723</u>
Net Assets at End of Year	<u>\$ 1,062,045</u>	<u>\$ 2,665,619</u>	<u>\$ 2,323,900</u>	<u>\$ 6,051,564</u>

DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
COMBINING STATEMENT OF CASH FLOWS
ALL INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Warehouse	Retrospective Workers' Comp	Self-Insurance	Total
Cash Flows from Operating Activities:				
Cash Received from Interfund Services Provided	\$ 72,604	\$ 50	\$ 30,369,634	\$ 30,442,288
Cash Received from Other Operating Revenue	-	10,633	-	10,633
Cash Payments to Suppliers for Goods	-	(1,770,293)	(1,806,053)	(3,576,346)
Cash Payments to Employees for Services	(30,428)	(68,881)	-	(99,309)
Cash Payments for Employees Benefits	(47,735)	(19,980)	-	(67,715)
Cash Payments for Claims	-	(373,464)	(29,176,724)	(29,550,188)
Cash Payments for Other Non-Operating Expenses	-	(13,182)	-	(13,182)
Net Decrease in Cash and Cash Equivalents	(5,559)	(2,235,117)	(613,143)	(2,853,819)
Cash and Cash Equivalents Beginning of Year	326,819	8,608,041	5,811,704	14,746,564
Cash and Cash Equivalents End of Year	<u>\$ 321,260</u>	<u>\$ 6,372,924</u>	<u>\$ 5,198,561</u>	<u>\$ 11,892,745</u>
Reconciliation of Operating Loss to Net Cash Used in Operating Activities:				
Operating Loss	\$ (292,998)	\$ (2,623,366)	\$ (742,613)	\$ (3,658,977)
Adjustments:				
Depreciation	19,696	-	-	19,696
Other Non-Operating Expenses	-	(13,182)	-	(13,182)
Increase in Accounts Receivable	-	-	(3,530)	(3,530)
Decrease in Inventory Held for Resale	292,014	-	-	292,014
Decrease in Accounts Payable	(24,271)	(1,265)	-	(25,536)
Increase in Accrued Wages and Benefits Payable	-	610	-	610
Increase in Intergovernmental Payable	-	44,126	-	44,126
Increase in Compensated Absences Payable	-	529	-	529
Increase in Vacation Payable	-	(1,450)	-	(1,450)
Increase in Claims Payable	-	358,881	133,000	491,881
Net Cash Used in Operating Activities	<u>\$ (5,559)</u>	<u>\$ (2,235,117)</u>	<u>\$ (613,143)</u>	<u>\$ (2,853,819)</u>

DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND EQUITY
WAREHOUSE FUND - BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Sales	\$ 575,000	\$ 72,603	\$ 72,603	\$ -
Expenses:				
Materials and Supplies	869,885	399,399	85,350	314,049
Net Change in Fund Equity	(294,885)	(326,796)	(12,747)	314,049
Fund Equity at Beginning of Year	367,419	269,128	269,128	-
Prior Year Encumbrances Appropriated	116,460	57,692	57,692	-
Fund Equity at End of Year	<u>\$ 188,994</u>	<u>\$ 24</u>	<u>\$ 314,073</u>	<u>\$ 314,049</u>

DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND EQUITY
RETROSPECTIVE WORKERS' COMP FUND - BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Charges for Services	\$ 2,750,000	\$ (2,499)	\$ (2,499)	\$ -
Expenses:				
Salaries and Wages				-
Fringe Benefits			-	-
Administration	11,037	21,703	7,813	13,890
Claims	4,104,187	8,069,957	2,905,226	5,164,731
Pupil Transportation	261,350	513,885	185,001	328,884
Total Expenses	4,376,574	8,605,545	3,098,040	5,507,505
Net Change in Fund Equity	(1,626,574)	(8,608,044)	(3,100,539)	5,507,505
Fund Equity at Beginning of Year	8,520,871	8,588,989	8,588,989	-
Prior Year Encumbrances Appropriated	876,574	19,055	19,055	-
Fund Equity at End of Year	\$ 7,770,871	\$ -	\$ 5,507,505	\$ 5,507,505

DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND EQUITY
SELF-INSURANCE FUND - BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Charges for Services	\$ 25,000,000	\$ 30,369,634	\$ 30,369,634	\$ -
Expenses:				
Purchased Services	1,632,181	2,109,090	1,806,053	303,037
Claims	26,367,819	34,072,251	29,176,724	4,895,527
Total Expenses	28,000,000	36,181,341	30,982,777	5,198,564
Net Change in Fund Equity	(3,000,000)	(5,811,707)	(613,143)	5,198,564
Fund Equity at Beginning of Year	5,855,161	5,811,707	5,811,707	-
Fund Equity at End of Year	\$ 2,855,161	\$ -	\$ 5,198,564	\$ 5,198,564

Fiduciary Fund

AGENCY FUND

Agency funds are used to account for assets held by the School District in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds.

Student Managed Activities

To account for the resources that belongs to the various student groups in the School District. The funds account for sales and other revenue generating activities by student activity programs, which have students, involved in the management of the program.

DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUND
 FOR THE YEAR ENDED JUNE 30, 2012

	Beginning Balance	Additions	Deductions	Ending Balance
Student Managed Activities				
ASSETS:				
Equity in Pooled Cash and Cash Equivalents	\$ 161,763	\$ 110,859	\$ 98,522	\$ 174,100
Accounts Receivable	2,643	0	2,643	0
Total Assets	<u>\$ 164,406</u>	<u>\$ 110,859</u>	<u>\$ 101,165</u>	<u>\$ 174,100</u>
LIABILITIES:				
Accounts Payable	\$ 4,090	\$ 9,865	\$ 4,090	\$ 9,865
Due to Students	160,316	100,994	97,075	164,235
Total Liabilities	<u>\$ 164,406</u>	<u>\$ 110,859</u>	<u>\$ 101,165</u>	<u>\$ 174,100</u>

STATISTICAL SECTION

DAYTON  N

PUBLIC SCHOOLS

STATISTICAL SECTION

This part of the School District's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the School District's overall financial health.

Contents:

Financial Trends

These schedules contain trend information to help the reader understand how the School District's financial performance and well-being have changed over time. These schedules can be found on pages 125 to 129.

Revenue Capacity

These schedules contain information to help the reader assess the factors affecting the School District's most significant local revenue source, the property tax. These schedules can be found on pages 130 to 141.

Debt Capacity

These schedules present information to help the reader assess the affordability of the School District's current levels of outstanding debt, as well as, the School District's ability to issue additional debt in the future. These schedules can be found on pages 142 to 147.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the School District's financial activities take place. These schedules can be found on pages 148 and 149.

Operating Information

These schedules contain information about the School District's operation and resources to help the reader understand how the School District's financial information relates to the services provided and activities performed. These schedules can be found on pages 150 to 154.

Sources: Unless otherwise noted, the information in these schedules is derived from the School District's annual financial reports for the relevant year.

DAYTON



PUBLIC SCHOOLS

**DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

NET ASSETS BY COMPONENT
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Net Assets:										
Invested in capital assets, net of related debt	\$238,805,006	\$239,262,065	\$274,083,127	\$204,395,827	\$ 156,806,490	\$ 11,057,668	\$ 21,173,201	\$ 15,672,577	\$ 22,001,233	\$ 17,935,291
Restricted	66,107,281	106,882,904	80,259,977	141,858,409	165,443,307	306,007,970	225,376,276	224,850,749	138,870,412	64,509,463
Unrestricted	46,815,756	47,908,184	25,248,921	18,542,406	19,671,988	17,820,009	20,890,120	43,945,296	44,177,779	44,625,359
Total Net Assets	<u>\$ 351,728,043</u>	<u>\$ 394,053,153</u>	<u>\$ 379,592,025</u>	<u>\$ 364,796,642</u>	<u>\$ 341,921,785</u>	<u>\$ 334,885,647</u>	<u>\$ 267,439,597</u>	<u>\$ 284,468,622</u>	<u>\$ 205,049,424</u>	<u>\$ 127,070,113</u>

Notes:

(1) The School District reports only governmental activities and has no component units

DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
EXPENSES, PROGRAM REVENUES, AND NET EXPENSE
LAST TEN FISCAL YEARS
(accrual basis of accounting)

SCHOOL DISTRICT

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Expenses:										
Instruction	94,121,187	95,366,779	96,506,253	\$ 98,856,366	\$ 95,084,453	\$ 111,360,344	\$ 107,433,792	\$ 105,911,991	\$ 103,512,054	\$ 104,713,536
Pupils	11,415,832	11,333,241	9,677,972	10,819,918	10,155,766	9,575,153	9,537,921	12,672,265	11,741,172	11,475,516
Instructional Staff	18,606,460	17,859,066	18,484,817	15,699,017	13,464,968	19,131,027	22,070,344	17,534,083	17,929,198	14,111,108
Board of Education	660,791	747,968	1,083,663	703,373	1,525,305	1,095,719	1,504,940	465,405	433,358	331,687
Administration	18,505,586	15,189,457	18,587,883	16,305,055	12,003,326	13,132,034	14,653,219	13,219,010	14,587,381	16,318,592
Fiscal	4,596,315	3,614,243	3,700,471	3,779,802	4,289,621	3,058,611	3,851,625	3,987,371	3,214,000	5,258,782
Business	2,578,038	1,543,948	1,500,067	1,682,577	2,145,686	1,519,529	1,442,009	1,805,966	2,321,963	2,558,549
Operation and Maintenance of Plant	21,073,668	20,595,511	22,163,606	22,091,652	22,628,479	31,623,068	32,742,890	38,952,420	33,902,014	21,879,322
Pupil Transportation	17,184,232	17,954,929	16,741,034	15,992,195	18,765,970	19,206,398	19,099,802	17,542,113	16,613,992	14,803,426
Central	10,263,636	7,798,118	7,291,951	7,753,959	6,615,020	7,214,836	8,276,578	9,033,096	9,241,713	14,063,768
Non-Instructional Services	69,881,407	72,608,042	73,765,748	72,023,470	69,946,502	62,479,482	63,227,901	63,389,659	58,497,701	44,685,192
Extracurricular Activities	1,773,357	1,885,787	1,997,118	1,932,220	1,458,700	1,882,414	1,683,123	1,562,922	1,444,007	1,737,120
Interest and Fiscal Charges	9,954,404	10,796,083	12,029,713	11,693,210	11,951,294	12,165,455	12,283,960	12,228,489	12,440,143	1,178,038
Unallocated Depreciation	9,694,823	5,819,416	5,123,531	3,392,488	4,603,690	1,325,075	1,667,063	1,484,841	1,449,773	1,142,910
Total Expenses	290,309,736	283,112,588	288,653,827	282,725,302	274,638,780	294,769,145	299,475,167	299,789,631	287,328,469	254,257,546
Program Revenues:										
Charges for services and sales, reported by:										
Regular Instruction	2,353,387	3,220,136	1,789,584	2,386,406	1,341,082	1,835,460	1,396,178	577,862	1,026,650	635,993
Special Instruction	-	-	-	-	100,636	178,231	-	986,596	864,493	277,781
Non-Instructional Services	1,062,209	1,227,808	1,475,801	1,751,167	1,510,104	1,919,204	1,953,662	3,080,464	3,228,825	3,292,153
Extracurricular Activities	576,411	686,070	628,574	636,536	1,144,216	509,132	516,844	522,556	471,282	505,541
Other	729,560	915,281	745,087	305,335	1,064,374	-	5,482	424,129	568,198	678,473
Total Charges for Services and Sales	4,721,567	6,049,295	4,639,046	5,079,444	5,160,412	4,442,027	3,872,166	5,591,607	6,159,448	5,389,941
Operating Grants and Contributions	55,397,307	29,137,438	57,533,689	66,429,355	59,341,676	54,385,141	53,854,341	55,846,887	53,248,257	36,362,935
Capital Grants and Contributions	-	-	-	939,577	443,277	91,054,817	4,222,900	87,750,501	79,832,438	1,104,640
Total Program Revenues	60,118,874	35,186,733	62,172,735	72,448,376	64,945,365	149,881,985	61,949,407	149,188,995	139,240,143	42,857,516
Net Expense	\$ (230,190,862)	\$ (247,925,855)	\$ (226,481,092)	\$ (210,276,926)	\$ (209,693,415)	\$ (144,887,160)	\$ (237,525,760)	\$ (150,600,636)	\$ (148,088,326)	\$ (211,400,030)

Notes:

(1) The School District reports only governmental activities and has no component units.

DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
GENERAL REVENUES AND TOTAL CHANGE IN NET ASSETS
LAST TEN FISCAL YEARS
(accural basis of accounting)

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Net Expense	\$ (230,190,862)	\$ (247,925,855)	\$ (226,481,092)	\$ (210,276,926)	\$ (209,693,415)	\$ (144,887,160)	\$ (237,525,760)	\$ (150,600,636)	\$ (148,088,326)	\$ (211,400,030)
General Revenues:										
Property taxes levied for:										
General purposes	49,195,475	74,266,805	63,864,510	66,244,784	65,646,213	73,210,958	74,230,414	77,453,502	79,125,532	80,978,470
Debt service (a)	9,936,314	14,750,041	11,412,497	12,081,522	12,834,750	14,391,679	13,969,176	13,602,246	16,296,989	7,662,684
Capital projects (a)	522,806	773,364	654,684	686,936	725,811	810,634	798,454	835,327	990,348	457,970
Other purposes (a)	522,806	773,364	654,683	686,936	725,812	810,635	798,454	835,324	990,348	457,970
Grants and Entitlements No Restricted										
to Specific Programs	142,564,676	160,821,538	166,650,134	143,522,125	113,682,762	93,566,583	111,070,302	123,873,866	121,593,221	130,643,396
Investment earnings (b)	(21,491,596)	5,801,584	(6,357,960)	4,745,892	14,276,257	17,146,192	14,906,186	7,266,006	4,460,091	3,193,064
Gain on Sale of Capital Assets	130,000	-	4,624,342	-	-	-	-	-	-	-
Miscellaneous	6,485,271	5,200,287	4,624,342	5,183,589	5,422,664	6,542,377	4,723,749	6,153,543	2,613,108	4,982,301
Total General Revenues	187,865,732	262,386,983	241,302,890	233,151,783	213,314,269	206,479,058	220,496,735	230,019,814	226,069,637	228,375,855
Change in Net Assets	\$ (42,325,110)	\$ (14,461,128)	\$ (14,821,798)	\$ (22,874,857)	\$ (3,620,854)	\$ (61,591,898)	\$ (17,029,025)	\$ (79,419,178)	\$ (77,981,311)	\$ (16,975,825)

Notes:

- (1) The School District reports only governmental activities and has no component units
- (a) The decrease in investment earning in fiscal year 2010 compared to the past five years was due to the decrease in interest rates and monies invested more conservatively in fiscal year 2010 as compared to the prior fiscal years as well as the change in fair market value of the embedded derivative (options). The decrease in investment earning in fiscal year 2012 compared to fiscal year 2011 was mainly due to the change in fair market value of the embedded derivative (options).

**DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

**FUND BALANCE OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)**

	2012	2011	2010	2009	2008
General Fund:					
Nonspendable	\$ 1,120,782	\$ 1,183,167	\$ 894,677	\$ -	\$ -
Assigned	2,791,751	87,383	347,205	-	-
Unassigned	14,023,284	8,739,049	4,498,288	-	-
Reserved	-	-	-	6,289,229	5,211,314
Unreserved (Deficit)	-	-	-	279,230	(319,010)
Total General Fund	\$ 17,935,817	\$ 10,009,599	\$ 5,740,170	\$ 6,568,459	\$ 4,892,304
All Other Governmental Funds:					
Nonspendable	\$ 56,420	\$ 119,182	\$ 201,138	\$ -	\$ -
Restricted	61,541,462	94,212,021	147,679,559	-	-
Unassigned (Deficit)	(2,157,329)	(2,737,367)	(2,609,600)	-	-
Reserved (a)	-	-	-	61,517,410	42,417,236
Unreserved, reported in:					
Capital projects funds	-	-	-	102,417,098	133,053,990
Debt service fund	-	-	-	11,899,467	13,977,212
Special revenue funds	-	-	-	4,716,508	4,921,336
Total All Other Governmental Funds	\$ 59,440,553	\$ 91,593,836	\$ 145,271,097	\$ 180,550,483	\$ 194,369,774

Notes:

- (1) The School District implemented GASB Statement No. 54 in fiscal year 2011.
- (a) The increases in the reservation of fund balance, beginning in fiscal year 2003, is attributed to outstanding encumbrances related to the school facilities construction project as well as increases in reservation of fund balance for property taxes for associated levies.

2007	2006	2005	2004	2003
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
6,330,325	14,560,529	15,966,465	12,703,669	11,307,291
(6,295,473)	5,844,576	27,512,436	28,801,552	29,659,344
<u>\$ 34,852</u>	<u>\$ 20,405,105</u>	<u>\$ 43,478,901</u>	<u>\$ 41,505,221</u>	<u>\$ 40,966,635</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
127,820,587	82,594,602	55,553,048	16,158,653	12,137,589
111,135,925	185,877,391	233,569,356	296,800,624	190,338,905
14,494,701	14,058,105	14,215,742	20,952,155	108,740,006
5,260,400	4,162,457	3,104,442	1,480,471	900,566
<u>\$ 258,711,613</u>	<u>\$ 286,692,555</u>	<u>\$ 306,442,588</u>	<u>\$ 335,391,903</u>	<u>\$ 312,117,066</u>

**DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

REVENUES, EXPENDITURES AND DEBT SERVICE RATIO
OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	2012	2011	2010	2009
Revenues:				
Taxes	\$ 68,395,202	\$ 72,603,902	\$ 69,279,536	\$ 76,223,293
Intergovernmental	204,754,204	220,348,538	243,734,419	233,641,391
Interest	1,170,074	1,774,828	1,427,190	5,782,612
Tuition and Fees	2,181,368	2,764,195	1,285,216	2,105,684
All Other Revenues	9,043,234	8,512,622	8,075,526	7,732,819
Total revenue	\$ 285,544,082	\$ 306,004,085	\$ 323,801,887	\$ 325,485,799
Expenditures:				
Current:				
Instruction	91,211,967	97,124,824	97,474,076	\$ 99,360,164
Support Services:				
Pupils	11,282,269	11,509,619	9,421,194	10,671,850
Instructional Staff	18,516,548	18,142,239	18,457,903	15,418,891
Board of Education	629,222	732,653	1,043,473	704,595
Administration	18,434,096	15,194,443	18,431,062	16,112,024
Fiscal and Business	7,137,785	5,118,077	5,171,192	5,414,391
Operation and Maintenance of Plant	20,812,849	20,512,238	21,924,172	22,020,305
Pupil Transportation	18,317,466	17,123,253	18,108,151	15,292,841
Central	10,532,374	7,687,374	6,762,566	7,546,319
Non-Instructional Services	69,737,428	72,775,088	73,427,459	71,922,219
Extracurricular Activities	1,732,629	1,871,742	1,953,493	1,910,692
Capital outlay	24,089,932	67,536,348	76,457,572	51,779,324
Debt service:				
Principal Retirement	9,582,257	7,842,900	7,531,334	6,855,890
Interest and Fiscal Charges	10,384,326	11,246,601	12,479,835	12,133,216
Issuance Costs	292,498	-	-	-
Total expenditures	\$ 312,693,646	\$ 354,417,399	\$ 368,643,482	\$ 337,142,721
<i>Debt Service as a Percentage of</i>				
<i>Noncapital Expenditures</i>	6.92%	6.67%	6.85%	6.65%

Notes:

(a) 2004 principal retirement included the repayment of a \$151.6 million, one-year, bond anticipation bond.

2008	2007	2006	2005	2004 (a)	2003
\$ 81,561,049	\$ 90,489,848	\$ 92,172,361	\$ 95,648,787	\$ 93,575,521	\$ 84,625,054
226,479,942	216,757,616	198,176,022	184,615,340	194,297,398	165,608,661
13,782,073	17,260,845	13,151,796	6,544,611	4,202,413	2,594,893
2,103,573	1,493,412	983,594	1,254,126	1,415,883	1,009,180
8,591,424	9,500,464	7,625,405	10,754,524	7,362,155	9,400,448
<u>\$ 332,518,061</u>	<u>\$ 335,502,185</u>	<u>\$ 312,109,178</u>	<u>\$ 298,817,388</u>	<u>\$ 300,853,370</u>	<u>\$ 263,238,236</u>
\$ 91,854,848	\$ 115,046,682	\$ 107,085,761	\$ 103,538,639	\$ 103,477,512	\$ 104,726,305
10,214,217	9,863,485	9,534,492	12,354,055	11,729,581	11,471,369
13,614,035	19,559,431	22,094,580	17,336,963	17,688,523	13,926,825
1,515,645	1,108,281	1,510,498	468,168	420,250	333,427
12,102,344	13,538,125	14,836,577	12,850,102	14,469,635	16,114,130
5,714,758	4,635,879	5,762,890	5,425,277	6,346,153	6,540,052
22,612,843	22,875,579	25,814,651	24,818,020	22,350,251	21,904,855
17,289,289	18,557,040	18,403,871	16,787,911	15,941,719	14,323,042
6,332,612	7,189,660	8,123,218	8,767,693	8,980,337	13,905,066
69,785,072	62,658,030	63,642,951	63,286,105	58,254,244	44,537,087
1,422,323	1,841,486	1,651,637	1,522,813	1,404,780	1,710,110
120,414,866	87,105,790	58,989,483	36,674,780	32,301,407	4,802,769
6,631,517	7,026,683	6,362,762	11,922,011	152,218,895	800,371
11,969,440	12,175,930	12,293,703	12,421,566	11,235,597	1,178,038
-	-	-	-	-	-
<u>\$ 391,473,809</u>	<u>\$ 383,182,081</u>	<u>\$ 356,107,074</u>	<u>\$ 328,174,103</u>	<u>\$ 456,818,884</u>	<u>\$ 256,273,446</u>
6.86%	6.49%	6.28%	8.35%	38.50%	0.79%

**DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

OTHER FINANCING SOURCES(USES) AND CHANGE IN FUND
BALANCES FOR GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Excess of Revenues Over (Under)				
Expenditures	\$ (27,149,564)	\$ (48,413,314)	\$ (44,841,595)	\$ (11,656,922)
Other Financing Sources (Uses):				
Proceeds from Sale of Capital Assets	130,000	-	-	98,849
Inception of Capital Leases	-	-	-	-
Proceeds from Sale of Bonds	2,495,000	-	-	-
Refunding Bonds Issued	14,735,000	-	-	-
Proceeds from Sale of Notes	-	-	-	-
Premium on Issuance of Bonds	64,898	-	-	-
Premium on Issuance of Refunding Bonds	628,370	-	-	-
Payment to Refunding Bonds Escrow Agent	(15,130,769)	-	-	-
Proceeds from Sale of Options	-	-	9,685,000	-
Discount on Issuance of Bonds	-	-	-	-
Transfers-In	16,179,663	1,500,000	3,460,042	23,006,814
Transfers-Out	(16,179,663)	(2,494,518)	(4,384,707)	(23,591,877)
Total Other Financing Sources (Uses)	<u>2,922,499</u>	<u>(994,518)</u>	<u>8,760,335</u>	<u>(486,214)</u>
Net Change in Fund Balance	<u>\$ (24,227,065)</u>	<u>\$ (49,407,832)</u>	<u>\$ (36,081,260)</u>	<u>\$ (12,143,136)</u>

<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
<u>\$ (58,955,748)</u>	<u>\$ (47,679,896)</u>	<u>\$ (43,997,896)</u>	<u>\$ (29,356,715)</u>	<u>\$ (155,965,524)</u>	<u>\$ 6,964,790</u>
91,060	10,883	8,403	23,096	38,259	101,323
-	-	1,500,000	3,024,185	-	3,000,000
-	-	-	-	151,555,000	256,628,439
-	-	-	-	-	-
-	-	-	-	19,860,000	4,463,989
-	-	-	-	8,325,688	4,426,561
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	(37,428)
20,600,018	444,226	475,018	474,389	123,392,837	465,025
<u>(21,219,717)</u>	<u>(1,126,408)</u>	<u>(809,354)</u>	<u>(1,140,590)</u>	<u>(123,392,837)</u>	<u>(1,150,474)</u>
<u>(528,639)</u>	<u>(671,299)</u>	<u>1,174,067</u>	<u>2,381,080</u>	<u>179,778,947</u>	<u>267,897,435</u>
<u><u>\$ (59,484,387)</u></u>	<u><u>\$ (48,351,195)</u></u>	<u><u>\$ (42,823,829)</u></u>	<u><u>\$ (26,975,635)</u></u>	<u><u>\$ 23,813,423</u></u>	<u><u>\$ 274,862,225</u></u>

**DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

**ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN CALENDAR YEARS**

Year	Real Property		Public Utility Property	
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
2012	\$1,513,906,510	\$ 4,325,447,171	\$ 76,811,230	\$ 197,265,204
2011	1,746,003,550	4,992,141,600	75,471,510	190,624,580
2010	1,770,190,640	5,057,687,543	72,227,100	185,850,333
2009	1,794,498,110	5,130,285,140	72,915,370	184,430,587
2008	1,849,984,400	5,285,669,714	71,137,000	182,692,750
2007	1,859,214,090	5,312,040,257	95,265,070	244,658,021
2006	1,882,065,240	5,377,329,257	96,489,120	247,801,604
2005	1,719,716,110	4,913,474,600	104,566,770	268,546,478
2004	1,712,346,690	4,892,419,114	109,740,800	281,834,327
2003	1,699,403,530	4,855,438,657	108,173,280	277,808,651

Source: Montgomery County Auditor - Data is presented on a calendar year basis because that is the manner in which the information is maintained by the Auditor.

Notes:

The assessed value of real property (including public utility real property) is 35 percent of estimated true value. The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property. General business tangible personal property was assessed in previous years at 25 percent for machinery and equipment and 23 percent for inventories. General business tangible personal property was phased out. The assessment percentage is 18.75 percent for 2006, 12.5 percent for 2007, 6.25 percent for 2008, and zero for 2009. Beginning in 2007, House Bill 66 switched telephone companies from being public utilities to general business taxpayers and began a four year phase out of the tangible personal property tax on local and inter-exchange telephone companies. No tangible personal property taxes were levied or collected in 2009 from general business taxpayers, except telephone whose last year to pay tangible personal property tax is 2010. The percentage for telecommunications are 10.0 percent for 2009, 5.0 percent for 2010 and zero for 2011.

The tangible personal property values associated with each year are the values that, when multiplied by the applicable rates, generate the property tax revenue billed in that year. For real property, the amounts generated by multiplying the assessed values by the applicable rates would be reduced by the 10 and 2 1/2 percent rollback reductions and homestead exemptions before being billed. The 10 percent rollback for commercial/industrial property was eliminated in 2006.

Tangible Personal Property		Total		Total Direct Tax Rate	Assessed Value Ratio
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value		
\$ -	\$ -	\$ 1,590,717,740	\$ 4,522,712,376	77.52	35.2%
-	-	1,821,475,060	5,182,766,180	76.52	35.1%
2,404,820	9,619,280	1,844,822,560	5,253,157,156	75.75	35.1%
15,661,840	20,882,453	1,883,075,320	5,335,598,180	75.75	35.3%
93,440,335	1,495,045,360	2,014,561,735	6,963,407,824	70.85	28.9%
139,769,404	607,693,061	2,094,248,564	6,164,391,339	70.85	34.0%
187,024,961	813,152,004	2,165,579,321	6,438,282,865	70.85	33.6%
283,321,748	1,133,286,992	2,107,604,628	6,315,308,070	70.85	33.4%
279,165,476	1,116,661,904	2,101,252,966	6,290,915,345	70.85	33.4%
353,726,646	1,414,906,584	2,161,303,456	6,548,153,892	70.85	33.0%

**DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
(PER \$1,000 ASSESSED VALUATION)
LAST TEN CALENDAR YEARS

YEAR	School District Millage				Total
	Operating	Debt Service	Permanent Improvement	Maintenance and Upkeep	
2012	\$67.55	\$8.97	\$0.50	\$0.50	\$77.52
2011	67.55	7.97	0.50	0.50	76.52
2010	67.55	7.20	0.50	0.50	75.75
2009	67.55	7.20	0.50	0.50	75.75
2008	62.65	7.20	0.50	0.50	70.85
2007	62.65	7.20	0.50	0.50	70.85
2006	62.65	7.20	0.50	0.50	70.85
2005	62.65	7.20	0.50	0.50	70.85
2004	62.65	7.20	0.50	0.50	70.85
2003	62.65	7.20	0.50	0.50	70.85

Source: Montgomery County Auditor - Data is presented on a Calendar Year Basis because that is the manner in which the information is maintained by the Auditor.

Notes:

(a) Overlapping millage presented is total millage for the subdivision.

Overlapping Millage (a)

<u>Montgomery County</u>	<u>City of Dayton</u>	<u>Dayton Montgomery County Library</u>	<u>City of Trotwood</u>	<u>City of Riverside</u>	<u>Harrison Township</u>	<u>Jefferson Township</u>
\$20.94	\$10.00	\$1.75	\$19.65	\$11.34	\$24.97	\$18.59
20.94	10.00	1.75	19.65	11.34	24.97	18.59
20.94	10.00	1.75	19.65	11.34	23.97	18.59
20.94	10.00	1.25	16.65	11.34	23.97	18.59
20.24	10.00	1.25	17.39	11.34	21.00	18.59
18.24	10.00	1.25	17.39	11.34	21.00	18.59
18.24	10.00	1.25	17.39	11.34	19.05	18.59
18.24	10.00	1.25	17.39	6.39	18.33	18.59
18.24	10.00	0.26	17.39	6.39	18.33	18.59
17.24	10.00	0.26	17.39	6.39	17.53	18.59

DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
 PRINCIPAL PROPERTY TAX PAYERS
 CURRENT FISCAL YEAR AND NINE YEARS AGO

Name of Taxpayer	Fiscal Year 2012			Fiscal Year 2003		
	Assessed Value	Rank	Percentage of Total Assessed Value	Assessed Value	Rank	Percentage of Total Assessed Value
Dayton Power and Light Company	\$ 66,504,490	1	4.18%			
NCR Corporation	10,928,110	2	0.69%	16,897,860	1	0.78%
Vectren Engery	10,565,800	3	0.66%			
AMAMATA LLC	10,513,140	4	0.66%			
City of Dayton	9,714,260	5	0.61%			
KND Real Estate 29 LLC	5,643,560	6	0.35%			
Marriott DIV American	5,238,110	7	0.33%			
Delamore Elizabeth	4,939,840	8	0.31%			
Ducru SPE LLC	4,734,550	9	0.30%			
40 North Main Street	4,524,370	10	0.28%			
						0.00%
City of Dayton				11,441,810	2	0.53%
Marriot Division American				8,461,750	3	0.39%
Heart Hospital of DTO				7,142,490	4	0.33%
Virgioa Kettering Trust				6,595,500	5	0.31%
Danis Realty Co. Inc.				6,037,060	6	0.28%
BEHR Dayton Terminal				5,041,610	7	0.23%
Ducru Limited Partnership				3,986,400	8	0.18%
IOWOP Inc.				3,401,140	9	
Delphi Automative Systems				3,380,110	10	0.16%
Subtotal	133,306,230		8.38%	72,385,730		3.35%
All Other Taxpayers	1,457,411,510		91.62%	2,088,917,726		96.65%
Total Assessed Valuation	\$ 1,590,717,740		100.00%	\$ 2,161,303,456		100.00%

Source: Montgomery County Auditor - Data is presented on a calendar year basis because that is the manner in which the information is maintained by the Auditor.

DAYTON



PUBLIC SCHOOLS

DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN CALENDAR YEARS

Year (1)	Current Levy	Current Collections (2)	Percent of Current Levy Collected	Delinquent Tax Collections (3)
2012	\$ 85,956,230	\$ 71,914,936	83.7%	\$ 5,706,881
2011	88,240,878	75,895,004	86.0%	4,540,620
2010	87,326,213	74,670,801	85.5%	4,924,943
2009	88,548,073	77,026,897	87.0%	6,180,051
2008	85,494,306	76,484,514	89.5%	7,561,992
2007	94,359,884	83,077,715	88.0%	9,047,073
2006	102,017,933	86,512,282	84.8%	11,965,577
2005	100,644,046	89,410,441	88.8%	9,807,078
2004	100,545,821	92,118,706	91.6%	6,868,829
2003	103,881,526	91,911,703	88.5%	6,169,575

Source: Montgomery County Auditor - Data is presented on a calendar year basis because that is the manner in which the information is maintained by the Auditor.

Notes:

- (1) Represents collection year. 2012 information represents tax levies and collections through November 1, 2012.
- (2) State reimbursements of rollback and homestead exemptions are included.
- (3) The County does not identify delinquent tax collections by tax year. Therefore, in years when delinquent collections include amounts from previous tax year, the total tax collections can exceed the current tax levy.
- (4) Penalties and interest are included since by Ohio law they become part of the tax obligation as assessment occurs.

<u>Total Tax Collections</u>	<u>Total Collection As a Percent of Current Levy</u>	<u>Outstanding Delinquent Taxes (4)</u>	<u>Delinquent Taxes to Current Tax Levy</u>
\$ 77,621,816	90.3%	\$ 34,825,288	40.5%
80,435,624	91.2%	43,043,091	48.8%
79,595,744	91.1%	24,878,970	28.5%
83,206,948	94.0%	17,328,667	19.6%
84,046,506	98.3%	15,259,202	17.8%
92,124,788	97.6%	15,928,159	16.9%
98,477,859	96.5%	17,896,768	17.5%
99,217,519	98.6%	19,569,964	19.4%
98,987,535	98.5%	23,453,127	23.3%
98,081,278	94.4%	18,666,656	18.0%

DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Year	General Obligation Bonds	Percentage of Total Assessed Property Value (a)	Per Capita (b)	Other Debt Obligations			
				Long-Term Notes Payable	Certificates of Participation	QZAB Bonds	Capital Leases
2012	\$ 209,887,137	13.19%	\$ 1,477	\$1,050,000	\$14,735,000	\$10,000,000	\$0
2011	214,669,313	11.64%	1,517	1,400,000	14,760,000	10,000,000	2,072,257
2010	221,745,305	12.02%	1,414	1,750,000	15,070,000	10,000,000	2,705,157
2009	228,566,297	12.14%	1,458	2,100,000	15,350,000	10,000,000	3,311,491
2008	234,767,289	11.65%	1,478	2,450,000	15,600,000	10,000,000	3,892,381
2007	240,793,281	11.50%	1,516	2,800,000	15,825,000	10,000,000	4,448,898
2006	246,734,273	11.40%	1,539	3,150,000	16,025,000	10,000,000	5,510,581
2005	252,130,265	11.96%	1,517	3,500,000	16,205,000	10,000,000	4,973,343
2004	263,281,257	12.53%	1,584	3,500,000	16,360,000	10,000,000	3,091,169
2003	103,926,561	4.81%	625	-	-	10,000,000	3,755,064

Notes:

- (1) The School District reports only governmental activities and has no component units.
- (2) Details of the School District's outstanding debt can be found in Note 14 to in the notes to the basic financial statements.
- (a) See assessed and estimated actual value of taxable property for total assessed property value.
- (b) See demographics schedule for personal income and population data, which are reported on a calendar year basis.

<u>Total Outstanding Debt Obligations</u>	<u>Ratio of Debt to Personal Income (b)</u>	<u>Debt Per Capita (b)</u>
\$235,672,137	14.82%	1,665
242,901,570	10.26%	1,716
251,270,462	10.62%	1,633
259,327,788	10.05%	1,517
266,709,670	13.14%	1,679
273,867,179	13.57%	1,724
281,419,854	14.11%	1,756
286,808,608	14.02%	1,726
296,232,426	14.93%	1,783
117,681,625	5.00%	708

**DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

	2012	2011	2010	2009
Total Assessed Property Value	\$ 1,590,717,740	\$ 1,821,475,060	\$1,844,822,560	\$1,883,075,320
<u>Overall Direct Debt Limitation:</u>				
Bond Debt Limit (a)	143,164,597	163,932,755	166,034,030	169,476,779
Net Bond Indebtedness	<u>(195,632,944)</u>	<u>(199,510,750)</u>	<u>(204,107,463)</u>	<u>(207,070,533)</u>
Overall Debt Margin (b)	<u>(52,468,347)</u>	<u>(35,577,995)</u>	<u>(38,073,433)</u>	<u>(37,593,754)</u>
<i>Total net bonded debt applicable to the limit as a percentage of overall direct debt limitation</i>	<i>136.65%</i>	<i>121.70%</i>	<i>122.93%</i>	<i>122.18%</i>
<u>Unvoted Direct Debt Limitation:</u>				
Unvoted Debt Limit (a)	1,590,718	1,821,475	1,844,823	1,883,075
Unvoted Debt Outstanding	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Unvoted Debt Margin	<u>1,590,718</u>	<u>1,821,475</u>	<u>1,844,823</u>	<u>1,883,075</u>
<i>Total unvoted debt applicable to the limit as a percentage of unvoted direct debt limitation</i>	<i>0.00%</i>	<i>0.00%</i>	<i>0.00%</i>	<i>0.00%</i>

Source: Montgomery County Auditor and School District's financial records

Notes:

- (1) Prior to fiscal year 2003, the School District had no general bonded debt
- (a) Ohio Bond Law sets a limit of 9% for voted debt, 9/10 of 1% for energy conservation and 1/10 of 1% for unvoted debt.
- (b) The Superintendent of Public Instruction in Ohio, in accordance with Ohio Revised Code Section 133.06(E), certified the School District as an "Approved Special Needs District" in 2003 which enabled the School District to issue bonded debt in excess of the limits statutorily set by the Ohio Bond Law.

2008	2007	2006	2005	2004	2003
\$ 2,014,561,735	\$ 2,094,248,564	\$ 2,165,579,321	\$ 2,107,604,628	\$ 2,101,252,966	\$ 2,161,303,456
181,310,556	188,482,371	194,902,139	189,684,417	189,112,767	194,517,311
(210,667,788)	(215,650,299)	(221,501,895)	(226,214,258)	(230,102,845)	(142,314,994)
(29,357,232)	(27,167,928)	(26,599,756)	(36,529,841)	(40,990,078)	52,202,317
116.19%	114.41%	113.65%	119.26%	121.67%	73.16%
2,014,562	2,094,249	2,165,579	2,107,605	2,101,253	2,161,303
-	-	-	-	-	-
2,014,562	2,094,249	2,165,579	2,107,605	2,101,253	2,161,303
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

**DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2011**

<u>Governmental Unit</u>		<u>Net Debt Outstanding</u>	<u>Estimated Percentage Applicable (a)</u>	<u>Amount Applicable to School District</u>
Montgomery County	(b)	\$ 4,617,830	19.54%	\$ 902,324
City of Dayton	(b)	46,884,969	95.32%	44,690,752
City of Riverside	(b)	2,000,087	13.96%	279,212
City of Trotwood	(b)	15,554,802	2.63%	409,091
Greater Dayton Regional Transit Authority	(b)	920,000	19.54%	179,768
Subtotal, Overlapping Debt				46,461,148
School District Direct Debt				235,672,137
Total Direct and Overlapping Debt				<u>\$ 282,133,285</u>

Source: Ohio Municipal Advisory Council

Notes:

- (1) Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the School District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the School District. This process recognizes that, when considering the School District's ability to issue and repay long-term debt, the entire burden borne by the residents and businesses should be taken into account.
- (a) Percentages were determined by dividing the assessed valuation of the subdivision located within the boundaries of the School District by the total assessed value of the subdivision.
- (b) Debt outstanding is as of December 31, 2011.

**DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

**PLEDGED-REVENUE COVERAGE
LAST NINE FISCAL YEARS**

Year	Revenue	Tax Anticipation Notes (a)		Coverage
		Principal	Interest	
2012	\$ 580,343	\$ 350,000	\$ 44,835	1.470
2011	618,623	350,000	57,645	1.518
2010	590,217	350,000	70,277	1.404
2009	665,845	350,000	83,265	1.537
2008	743,728	350,000	96,289	1.666
2007	820,988	350,000	108,885	1.789
2006	827,700	350,000	121,695	1.755
2005	869,373	-	125,253	6.941
2004	849,883	-	-	n/a

Notes:

(1) Details regarding the School District's outstanding debt can be found in Note 14 to the basic financial statements.

(2) Prior to fiscal year 2004, the School District did not have pledged-revenue debt.

(a) These bonds are backed by the tax revenues collected on a one-half of one mill permanent improvement levy approved by voters in calendar year 2002.

**DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

DEMOGRAPHIC STATISTICS
LAST TEN CALENDAR YEARS

Year	City of Dayton Population (1)	Personal Income (2)	Per Capita Personal Income	Unemployment Rate (3)
2011	141,527	\$ 1,590,717,740	\$ 11,240	9.8%
2010	141,527	2,130,738,407	15,055	11.3%
2009	153,843	2,144,937,339	13,942	12.1%
2008	156,771	2,366,597,490	15,096	12.1%
2007	158,873	2,029,749,085	12,776	7.2%
2006	158,873	2,017,874,488	12,701	8.3%
2005	160,293	1,994,164,343	12,441	7.6%
2004	166,179	2,045,250,213	12,308	7.1%
2003	166,179	1,984,250,078	11,940	5.5%
2002	166,179	2,354,103,980	14,166	5.6%

- Source::
- (1) U.S. Census Bureau and Miami Valley Regional Planning Commission, reported on calendar year-end
 - (2) Ohio Department of Taxation. Current year amounts are not available, therefore estimates based on trends were used to calculate this amount.
 - (3) Ohio Bureau of Employment Services, reported on calendar year-end

**DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

**PRINCIPAL AREA EMPLOYERS
CURRENT YEAR AND FIVE YEARS AGO**

<u>Employer</u>	<u>Fiscal Year 2012</u>			<u>Fiscal Year 2007 (b)</u>		
	<u>Employees (a)</u>	<u>Rank</u>	<u>Percentage of Total Employees</u>	<u>Employees (a)</u>	<u>Rank</u>	<u>Percentage of Total Employees</u>
Wright Patterson Air Force Base	27,400	1	36.90%			
Premier Heath Partners	14,548	2	19.59%			
Kettering Medical Center Network	9,500	3	12.79%			
Kroger Co.	4,950	4	6.67%			
Montgomery County	4,363	5	5.88%			
LexisNexis	3,400	6	4.58%			
Sinclair Community College	2,726	7	3.67%			
Dayton City School District	2,574	8	3.47%			
Honda of America Manufacturing, Inc.	2,400	9	3.23%			
AK Steel Holding Corp.	2,400	10	3.23%			
Wright Patterson Air Force Base				21,000	1	5.14%
Honda of America Manufacturing, Inc.				13,000	2	3.18%
Premier Heath Partners				9,000	3	2.20%
Kettering Medical Center Network				7,000	4	1.71%
Delphi Corporation				6,000	5	1.47%
Meijer Inc.				5,025	6	1.23%
The Reynolds and Reynolds Co.				4,400	7	1.08%
General Motors Corporation				4,000	9	0.98%
Miami University				3,500	10	0.86%
Total	74,261		100.00%	72,925		17.85%

Source: City of Dayton/Dayton Business Journal

Notes:

- (1) Information is presented on a calendar year basis as no information was available at the end of the School District's fiscal year.
- (a) Amount reported is employee headcount which differs from the "Full Time Equivalent" numbers reported elsewhere in this section.
- (b) Fiscal year 2007 is the latest information available

**DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

OPERATING STATISTICS
LAST TEN FISCAL YEARS

Year	Average Daily Membership	Operating Expenditures (a)	Cost per Pupil	Percentage Change (b)
2012	14,179	\$ 209,215,309	\$ 14,755	0.92%
2011	14,174	207,237,315	14,621	-5.07%
2010	13,664	210,456,733	15,402	8.77%
2009	14,393	203,818,669	14,161	17.26%
2008	16,157	195,120,251	12,077	-11.76%
2007	16,517	226,049,108	13,686	2.03%
2006	17,054	228,759,125	13,414	9.05%
2005	17,677	217,430,737	12,300	-0.73%
2004	17,463	216,373,020	12,390	3.05%
2003	18,163	218,384,612	12,024	14.67%

Notes:

- (a) Operating expenditures are total governmental fund expenditures less capital outlay, debt service and intergovernmental expenditures which are recorded as non-instructional services and represent pass-through payments from the State of Ohio to charter schools within the School District boundaries.
- (b) Decrease in operating costs reported for 2008 was due to budget reductions implemented by the School District as part of its "fiscal recovery plan" developed to avoid a cash deficit during the fiscal year.

<u>Expenses</u>	<u>Cost per Pupil</u>	<u>Percentage Change</u>	<u>Number of Teaching Staff</u>	<u>Pupil-Teacher Ratio</u>	<u>Percentage of Free or Reduced Price Meals</u>
\$ 280,614,913	\$ 19,791	-0.92%	1,178	12.04	77.90%
283,112,588	19,974	-4.84%	1,038	13.66	81.78%
286,809,065	20,990	6.86%	1,052	12.99	74.56%
282,725,302	19,643	15.56%	1,146	12.56	74.56%
274,638,780	16,998	-4.75%	1,163	13.89	68.60%
294,769,145	17,846	1.63%	1,405	11.76	72.00%
299,475,167	17,560	3.54%	1,432	11.91	72.00%
299,789,631	16,959	3.07%	1,503	11.76	80.00%
287,328,469	16,454	17.54%	1,492	11.70	78.52%
254,257,546	13,999	23.31%	1,577	11.52	75.92%

**DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY TYPE
LAST SEVEN FISCAL YEARS

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Supervisory							
Administrators/Supervisors	122	65	66	80	90	95	99
Principals	26	31	22	31	32	36	33
Assistant Principals	19	24	25	22	13	22	22
Total supervisory	<u>167</u>	<u>120</u>	<u>113</u>	<u>133</u>	<u>135</u>	<u>153</u>	<u>154</u>
Instruction							
Elementary Classroom Teachers	386	490	496	504	503	723	738
Secondary Classroom Teachers	309	236	243	255	254	367	388
Special Education Teachers	181	277	280	296	288	263	241
Vocational Teachers	35	35	33	37	29	10	12
Other Teachers (adult)	-	-	-	-	10	28	30
Instructional Professionals	-	-	-	-	-	21	23
Classroom Aides	267	287	289	249	251	283	297
Total instruction	<u>1,178</u>	<u>1,325</u>	<u>1,341</u>	<u>1,341</u>	<u>1,335</u>	<u>1,695</u>	<u>1,729</u>
Student Services							
Guidance Counselors	10	13	14	13	13	19	18
Social Workers	1	1	1	1	1	1	2
School Nurses	20	29	28	30	28	33	32
Psychologists	12	17	17	17	17	18	18
Librarians	4	8	8	10	10	11	12
Total student services	<u>47</u>	<u>68</u>	<u>68</u>	<u>71</u>	<u>69</u>	<u>82</u>	<u>82</u>
Support and Administration							
Clerical and Secretarial	109	125	133	141	145	143	150
Food Service	117	122	128	140	143	145	145
Transportation	178	202	212	234	215	212	221
Custodial	113	119	126	138	148	162	162
Maintenance	14	31	37	37	39	39	39
Total support and administration	<u>531</u>	<u>599</u>	<u>636</u>	<u>690</u>	<u>690</u>	<u>701</u>	<u>717</u>
Total	<u>1,923</u>	<u>2,112</u>	<u>2,158</u>	<u>2,235</u>	<u>2,229</u>	<u>2,631</u>	<u>2,682</u>

Source: District personnel records

Notes:

- (1) Information is only presented beginning with fiscal year 2006; additional years will be accumulated in future years. Obtaining previous years information was not practical.
- (2) The number of employees reported in this table might differ from the number of employees reported elsewhere in this report as this table presents FTE of employees whereas other numbers might present actual number of employees.
 - (a) The reduction in the number of employees reported for fiscal year 2008 was due to the implementation of budget reductions necessary to avoid a negative operating fund balance.

DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
 TEACHER EDUCATION AND EXPERIENCE
 JUNE 30, 2012

<u>Degree</u>	<u>Number of Teachers</u>	<u>Percentage of Total</u>
Bachelor's Degree	260	28.54%
Bachelor's + 18 Semester Hours of Graduate Credit	123	13.50%
Master's Degree	486	53.35%
Master's Degree + 30 Semester Hours of Graduate Credit	37	4.06%
Doctorate Degree	<u>5</u>	<u>0.55%</u>
Total	<u><u>911</u></u>	<u><u>100.00%</u></u>

<u>Years of Experience</u>	<u>Number of Teachers</u>	<u>Percentage of Total</u>
0 - 4	150	16.47%
5 - 9	183	20.09%
10 - 14	100	10.98%
15 - 19	111	12.18%
20 - 29	310	34.03%
30 and over	<u>57</u>	<u>6.26%</u>
Total	<u><u>911</u></u>	<u><u>100.00%</u></u>

Source: Dayton City School District Human Resources Records

**DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

CAPITAL ASSET INFORMATION
LAST SEVEN FISCAL YEARS

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
<u>School Buildings:</u>							
Elementary (PK-8)							
Buildings	22	22	19	19	24	25	26
Square Feet	1,584,111	1,461,913	1,473,978	1,684,130	1,709,892	1,626,710	1,552,428
Capacity	10,453	10,662	10,338	12,144	11,881	12,319	12,105
Enrollment	10,060	9,726	9,612	10,146	10,379	10,243	9,704
Middle (a)							
Buildings	-	-	-	-	1	3	5
Square Feet	-	-	-	-	189,424	456,644	403,681
Capacity	-	-	-	-	937	2,912	2,361
Enrollment	-	-	-	-	667	1,781	2,543
High							
Buildings	4	4	4	4	6	5	5
Square Feet	514,184	986,583	714,815	1,024,448	1,135,725	1,024,461	1,175,881
Capacity	2,910	5,119	4,192	5,094	6,017	5,756	7,054
Enrollment	4,087	4,114	4,052	4,247	4,384	4,409	4,829
Other							
Buildings	4	3	9	11	5	3	2
Square Feet	558,675	220,282	779,764	197,391	259,066	197,391	281,616
Capacity	3,046	1,248	4,689	1,666	2,092	1,666	1,892
Enrollment	1,964	334	(b)	(b)	(b)	(b)	(b)
<u>Administrative Building:</u>							
Buildings	1	1	1	1	2	2	2
Square Feet	150,000	150,000	150,000	150,000	220,500	220,500	220,500
<u>Service Buildings:</u>							
Buildings	4	6	5	5	4	5	4
Square Feet	106,399	191,474	224,639	224,639	120,564	143,964	120,564
<u>Transportation:</u>							
Garages	1	1	1	1	1	1	1
Buses	225	223	239	237	226	231	231
<u>Athletics:</u>							
Facility	1	1	1	1	1	1	1
Football Fields	11	10	9	8	8	10	11
Soccer Fields	6	4	4	4	4	3	6
Running Tracks	7	6	6	6	6	6	7
Baseball/Softball Fields	21	17	9	8	5	10	14
Swimming Pools	0	0	0	0	1	1	1
Playgrounds	48	44	44	44	37	41	48
Tennis Courts	23	16	16	16	11	7	0

Source: Dayton City Schools Records

Notes:

- (1) Information is only presented beginning with fiscal year 2006; additional years will be accumulated in future years. Obtaining previous years information was not practical.
- (a) The number and mix of school buildings will continue to change over the next several years as the School district-wide school facilities construction project continues and the elementary schools together formed PK-8 schools.
- (b) These buildings are not used in fiscal year 2009 due to the School District decide not to have a separate middle schools. All the middle schools are closed. They merged the middle and the elementary schools together formed PK-8 schools.
- (c) These buildings represent combination and alternative center. Enrollment for these buildings are included in the appropriate level above.



VISION

Dayton Public Schools provides a high-quality education in a safe environment that prepares our students for success in school, work and life by providing a highly effective trained staff working each day with community resources.

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